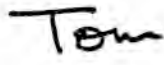


MEMORANDUM

TO: VSC Finance & Facilities Committee
M. Jerome Diamond
J. Churchill Hindes, Chair
Tim Jerman
Bill Lippert
Christopher Macfarlane, Vice Chair
Linda Milne
Martha O'Connor
Heidi Pelletier

FROM: Tom Robbins, Vice President of Finance & Administration
Chief Financial Officer 

DATE: August 28, 2015

SUBJ: Finance & Facilities Committee Meeting scheduled for September 2, 2015

The Finance & Facilities Committee of the VSC Board of Trustees will meet beginning at 3:00 in Room 101 at the Chancellor's Office in Montpelier. The agenda and back up material for the meeting are enclosed.

If you have any questions, I can be reached at (802) 224-3022.

Thank you.

cc: VSC Board of Trustees
Council of Presidents
Business Affairs Council
Sam Winship, Dept. of Finance & Management
Douglas Hoffer, State Auditor

**VERMONT STATE COLLEGES
BOARD OF TRUSTEES
FINANCE AND FACILITIES COMMITTEE MEETING**

**September 2, 2015 at 3:00 p.m.
Office of the Chancellor, Montpelier, VT**

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A. ITEMS FOR DISCUSSION AND ACTION

1. Minutes of the May 13, 2015 Finance & Facilities Committee

The Vermont State Colleges Board of Trustees Finance & Facilities Committee conducted a meeting Wednesday, May 13, 2015 at the Office of the Chancellor in Montpelier, Vermont.

Committee members present: Jerry Diamond (by phone), Church Hinds, Christopher Macfarlane (Chair), Linda Milne, Heidi Pelletier

Absent: Bill Lippert

Other Trustees Present: Lynn Dickinson, Martha O'Connor

College Presidents: Joe Bertolino, Joyce Judy, Barbara Murphy, Dan Smith, Dave Wolk

From the Chancellor's Office: Tricia Coates, Director of External & Governmental Affairs
Dick Ethier, Director of Facilities
Bill Reedy, General Counsel
Tom Robbins, CFO
Elaine Sopchak, Executive Asst. to the Chancellor
Jeb Spaulding, Chancellor
Sophie Zdatny, Associate General Counsel
Yasmine Ziesler, Chief Academic & Academic Tech Officer

From the Colleges: Scott Dikeman, Dean of Administration, Castleton State College
Janis Henderson, Staff Federation Unit Chair
Loren Loomis Hubbell, Dean of Administration, Lyndon State College
Barbara Martin, Dean of Administration, Community College of VT
Maurice Ouimet, CSC Dean of Enrollment
Phil Petty, Academic Dean, Vermont Technical College
Sharron Scott, Dean of Administration, Johnson State College
Lit Tyler, Dean of Administration, Vermont Technical College
Beth Walsh, VSC United Professionals

Chair Macfarlane called the meeting to order at 1 p.m.

A. ITEMS FOR DISCUSSION AND ACTION

1. Minutes of the April 1, 2015 Finance & Facilities Committee Meeting
2. Minutes of the February 11, 2015 Finance & Facilities Committee Meeting

Trustee Jerman moved both sets of minutes; Trustee Pelletier seconded. The minutes were approved unanimously.

3. Review and Recommend Approval of FY2016 Budget

Trustee Jerman moved and Trustee Hindes seconded the motion Review and Recommend Approval of FY2016 Budget.

a. VSC Budget

CFO Robbins provided an overview of the FY16 budgets. Financial stresses on the budgets include lower enrollment at each college, increases in healthcare costs, contractually mandated increases for unions, and increases in utilities. On the revenue side, tuition increased between 3-5%, with any increases over 3% on in-state tuition being directed to scholarships. The state operating appropriation is level with last year. The VIT appropriation was halved. Wages and benefits account for 70% of expenses.

The presidents each provided an overview to the Committee of their colleges' financial positions at the end of FY15 and projections for FY16 and FY17.

Castleton State College President Dave Wolk thanked the trustees who attended commencement and provided the following update:

- Returning students are down by about 50 FTE, new first year enrollment is projected to be up 30-50 students, with the increase in out-of-state students. Overall enrollment is down 1-2%. Persistence is at or better than last year.
- The college will need to use reserves to balance the FY15 budget. Retirements and departures will result in 15 fewer positions next year.
- The college is reducing overloads and the use of part time faculty; implementing new class minimums; and eliminating most out of state travel not connected with recruitment. There has also been a rescission.
- Increasing revenues are anticipated from the Polling Institute, Spartan Dome, and Castleton Downtown. They have launched a new athletic fundraising effort.
- Challenges next year will be enrollment and deferred maintenance. They will continue to look at ways to increase enrollment. Summer conferences and courses bring in a lot of revenue.

- Allocations for need-based aid have helped enormously but the number of students who use it increases.

Chair O'Connor requested that each of the presidents in the near future provide the Board with a report of deferred maintenance and fleet needs. Chancellor Spaulding stated that VSC Director of Facilities Dick Ethier would be able to present that information to the Board.

Chancellor Spaulding stated that there will be no pay increases for the VSC presidents. There will also not be increases for some senior staff at the colleges and all the senior staff at the Chancellor's Office.

Johnson State College President Barbara Murphy shared the following update:

- The college will end FY15 with a \$26,000 surplus. In FY15 they did not use any of the strategic reserves requested of the Board.
- For FY16 they project a slight increase in tuition and fees, and a higher increase in room and board and dining.
- Wages and benefits are increasing about 1%. There are few retirements this year but otherwise little turnover; they are leaving some positions open.
- Returning OPEB funds have allowed the college to reach a balanced . One-time revenue was generated by the sale of some property, timber harvesting, and ongoing adjustments to expenses for the student health center.
- The FY16 budget includes the use of up to \$175,000 of strategic reserves.
- Retention is slowly improving; the plans submitted for returning OPEB funds are intended for continuing to improve retention.
- They are budgeting for a 2.5% downturn in enrollment.
- There will be some fundraising around athletics.
- Challenges include recruitment and sustaining enrollment.

At this time Trustees Dickinson and Jerman departed, and Trustee Milne arrived.

Community College of Vermont President Joyce Judy stated that the college is on budget for ending 2015.

- Summer registration is on target.
- Strategic reserves remain untouched.
- Entrepreneurial ventures focusing on younger students and the middle majority of VT high school graduates who haven't enrolled in college, as well as workforce needs. The TAACCCT grant is helping the college reach out to manufacturers. The state of Vermont received a significant SNAP grant and CCV is a major partner in this grant.
- The biggest challenge is maintaining and growing enrollments.

- The college is ramping up philanthropy, a new focus for CCV. The operating budget used to be 2% funded by philanthropy; that percentage is now 4-5%.
- President Judy expressed deep concern about the 2017 budget process. A level or lower revenue stream coupled with lower enrollment means future savings may include personnel changes.

Lyndon State College President Joe Bertolino stated that the college entered 2015 with a \$1.5M gap, covered it, and will end with a small surplus. The college is not touching its strategic reserves.

- They are budgeting for 355 new students and 801 returning students. They have budgeted for a 10% decline in enrollment. Currently they are at 318 deposits.
- It is very difficult to predict admissions; the usual predictors have changed within the VSC and nationally. Their return retention rate is modestly higher.
- Overall they have budgeted a decline of 8%.
- They have decreased part time faculty by 30% and are lowering course offerings. There have been five layoffs.
- President Bertolino stated how proud he is of how the college handled the challenging year.
- They will use \$755,000 of one-time internal reserves to close the 2016 gap.
- A focus on generating revenue includes new men's and women's track teams and a new women's lacrosse team.
- Plans submitted for the use of OPEB funds are for improved retention. A curricular task force is underway. No layoffs are planned going into next year. The 2017 budget will be extremely difficult.
- Fundraising has been very successful: up 247% from 2 years ago. The college earns about \$500K from summer programming.

Vermont Technical College President Dan Smith stated that the college anticipates a \$2.1-\$2.2M loss for 2015, which is less than projected.

- The 2016 loss is projected to be \$1.83M, with a line of credit requested from the system of \$1.9M. Reductions in salary and wages come from retirements, attrition, layoffs, and curriculum redesign.
- Enrollment is anticipated to be down 2% overall.
- New enrollments are down 7%. There has been an increase in transfer deposits and the BS in nursing program represents new enrollment.
- The revenue from conferences and events is about \$300,000 and is included in the Sales and Services line. Biodigester performance is improving. The college lost a maintenance contract with the VA cemetery due to its new federal contract.
- The college is now highly focused on a positive recruiting cycle. Their submitted OPEB funds strategy will help fund this.

- The TAACCCT grant will provide an advisor for CCV-to-VTC transfers in manufacturing programs.

Trustee Diamond requested that the resolution for the approval of the VSC budget not include the decrease in net assets currently included. Trustee Milne moved that the resolution be amended so that the phrase “, and the post-GASB 45 and VTC deficit decrease in net assets of \$7,443,483” be deleted. Trustee Pelletier seconded the amendment. The Committee voted unanimously to approve the amendment. The Committee approved the resolution as amended unanimously. The Committee also authorized Chancellor Spaulding to finalize the resolution if necessary prior to bringing it to the Board. Chair O’Connor requested that the amended resolution be sent to the Committee before the Board meeting.

b. VIT Budget

Trustee Hindes moved and Trustee Pelletier seconded the resolution to approve the FY16 Vermont Interactive Technologies budget. President Smith reminded the Board that Vermont Tech is the fiscal agent for VIT and updated them on the status of the VIT appropriation. VIT is funded 75% by state appropriation and 25% by fees for service. Of that 25%, Vermont Tech accounts for approximately half as its nursing and continuing education programs have a large distance learning component. The current appropriation under consideration in the legislature is six month’s worth of funding to carry VIT through to its closure in December 2015. The legislature has included language in the budget indicating a need to research ownership of VIT equipment. Trustee Hindes asked that the Board consider passing a resolution indicating the great value that VIT and its services have brought to Vermont over its decades of service.

Trustee Diamond requested that the resolution be amended to remove the phrase “and the post-GASB 45 decrease in net assets of \$108,000.” Trustee Pelletier moved and Trustee Milne seconded the amendment. The Committee voted unanimously to approve the amendment. The Committee approved the amended resolution unanimously.

At this time Trustee Masland arrived.

c. Workforce Development Budget

Trustee Diamond moved that the resolution to approve the FY16 Workforce Development budget be amended to remove the phrase “and the post-GASB 45 decrease in net assets of \$184,000.” Trustee Milne seconded the amended resolution. President Smith explained that the budget represents the aggregate of three entities at Vermont Tech: Vermont Manufacturing Extension Center (VMEC), Technology Extension Division (TED), and the Vermont Small Business Development Center (VtSBDC). A substantial portion of all of their revenue comes

from federal grants. The state appropriation for VMEC comes out of the VSC base and is a match to funds from a National Institute of Science and Technology interim grant. The Committee voted unanimously to approve the amended resolution.

4. Review and Recommend Approval of Additional VTC Operating Loan Commitment

Chancellor Spaulding stated that this resolution will need a similar review to the previous resolutions prior to coming before the Board. He proposed, along with General Counsel Reedy, that further research be done in consultation with bond attorneys and that a revised resolution be brought to the full Board.

Trustee Hindes moved and Trustee Milne seconded the resolution as worded, with the understanding that the resolution may be revised before coming to the full Board. The Committee approved the resolution unanimously.

5. Review and Recommend Approval of OPEB Funds Usage

The presidents confirmed that there have been no substantial changes to their originally submitted plans for use of the returning OPEB funds, with the exception of Lyndon State College. President Bertolino stated that they have removed a proposal to renovate a building on campus and are requesting \$460,000 of \$508,000 for three primary projects.

Trustee Pelletier moved and Trustee Hindes seconded the resolution. The Committee approved the resolution unanimously.

6. Review and Recommend Approval of Annual Banking and Investment Resolution

Trustee Milne moved and Trustee Diamond seconded approval of the annual banking and investment resolution. The Committee approved the resolution unanimously.

7. Endorsement of Grant Proposal

Trustee Hindes moved and Trustee Pelletier seconded the motion to approve the grant proposal. The Committee approved the resolution unanimously.

8. Real Estate Matter

Trustee Milne moved that the Committee enter executive session pursuant to 1 VSA §313 (2) to discuss a real estate matter, and to include other Board members, the Chancellor, President Smith, CFO Robbins, General Counsel Reedy, and VT Tech Dean of Administration Lit Tyler. Trustee Hindes seconded the motion. The Committee approved the motion unanimously. The Committee entered executive session at 3:30 p.m. While in executive session the Committee approved a resolution, the results of which are on file at the Vermont State Colleges. The Board exited executive session at 4 p.m.

B. ITEMS FOR INFORMATION AND DISCUSSION

1. Review Q3 Financials
2. Update on Legislative Issues
3. LSC Solar Farm Partnership
4. Update on Ongoing VSC Construction
5. Review Capital Projects Report

There was no discussion of these items.

C. ITEMS FOR INFORMATION ONLY

1. Monthly Grant Activity Report
2. VSC Q3 Endowment Report
3. Monthly Cash Report

The meeting adjourned at 4 p.m.

2. Approval of Proposed Policy 211: *Whistleblower Policy for Reporting Fraudulent, Illegal or Improper Activities* and Related Revisions to Policy 210: *Conflict of Interest – Employees*

In 2009 the Board directed the Chancellor's Office to implement a system for employees to report fraudulent, illegal, or improper activities. The EthicsPoint whistleblower hotline system was implemented that year and has since been in use by all the colleges. While reports have been few, they have pointed out the need for consistent standards and procedures for this effort. Chancellor's Office staff have prepared the attached proposed Policy 211: *Whistleblower Policy for Reporting Fraudulent, Illegal or Improper Activities* as a formal policy that, among other things, requires the Chancellor to develop definitions and procedures for employees to follow when reporting.

The existing Policy 210, *Conflict of Interest—Employees*, contains reference to reportable behaviors that are now included in the new Policy 211. Therefore a small number of revisions have been made to Policy 210 to reflect that policy's more limited scope.

The policies themselves are attached for the Board's consideration and approval. The appendices for each policy are also attached for the Board's information. A single resolution approving both policies also follows.



Manual of Policy and Procedures

Title	Number	Page
WHISTLEBLOWER POLICY FOR REPORTING FRAUDULENT, ILLEGAL OR IMPROPER ACTIVITIES	211	1 of 2
	Date 9/23/2015	

I. PURPOSE

The Vermont State Colleges (“VSC”) do not tolerate employees engaging in fraudulent, illegal or improper activities and encourage employees, students and others to report good-faith concerns about fraudulent, illegal or improper activities, without fear of retaliation.

II. STATEMENT OF POLICY

A. Reporting Fraudulent, Illegal or Improper Activities

Engaging in fraudulent, illegal or improper activities constitutes misconduct and may result in the imposition of discipline up to and including dismissal.

Employees, students and others are encouraged to report good-faith concerns about fraudulent, illegal or improper activities to a supervisor, advisor, or administrator. Recognizing that there may be circumstances where a person is not comfortable reporting concerns directly to another person, the VSC has partnered with EthicsPoint, a third party vendor, so that individuals who wish to remain anonymous can use EthicsPoint’s confidential hotline. The EthicsPoint hotline may also be used by reporters who do not seek anonymity. Nothing herein requires the VSC to continue to use EthicsPoint to operate its whistleblower hotline, or to prevent the VSC from selecting another vendor or choosing to operate the hotline itself.

This policy is not intended to take the place of existing reporting mechanisms and processes established at the VSC, such as those relating to: (a) academic matters, such as grade appeals, curriculum structure, and teaching effectiveness; (b) student disciplinary matters; (c) employment-related disputes, such as those governed by collective bargaining agreements or the personnel handbook, interpersonal conflicts, or complaints about compensation and benefits; (d) crimes on campus, which should be directed to Public Safety or law enforcement; (e) discrimination or harassment, which should be addressed pursuant to VSC Policy 311, *Non-Discrimination, and Prevention of Harassment and Related Unprofessional Conduct*; or (f)

sexual misconduct, which should be addressed pursuant to VSC Policy 311-A, *Sexual Misconduct, Domestic Violence, Dating Violence, Sexual Assault and Stalking*. Allegations that fall under the guidelines of established VSC policies will be addressed as set forth in those policies.

All credible information and allegations indicating possible fraudulent, illegal or improper activities will be treated seriously. Failure by a supervisor, advisor, or administrator to report or to respond appropriately to reports may subject that person to discipline, up to and including termination of employment. Individuals with responsibility to handle allegations arising under this Policy should strive to handle such reports and the communications surrounding them expeditiously and with an appropriate degree of sensitivity and discretion.

B. Prohibition on Retaliation

Retaliation is prohibited against anyone who, in good faith: (1) reports suspected fraudulent, illegal or improper activities; (2) participates in an investigation, directly or indirectly; or (3) provides testimony at a hearing or legal proceeding in connection with a report under this Policy. Individuals shall be free to report suspected fraudulent, illegal or improper activities and to participate in an investigation or proceeding without fear of reprisal, intimidation or retaliation. Sanctions for retaliation may range from a reprimand up to and including dismissal.

C. Prohibition on Making False or Malicious Allegations

A report made under this Policy may have considerable impact on the personal and professional lives of those charged, both during the investigation and long term. Any person who intentionally makes a false or malicious allegation against another may be subject to discipline up to and including termination of employment, expulsion or dismissal, as well as civil or criminal charges. A false or malicious allegation is one made with an awareness of its falsity, or one made without any substantial basis and with a reckless disregard for its truth or falsity. Sanctions for making false or malicious allegations may range from a reprimand up to and including dismissal.

III. PROCEDURES

The Chancellor shall establish and periodically update procedures for responding to reports of fraudulent, illegal or improper activities. The implementing procedures shall define relevant terms and may be modified as necessary by the Chancellor to comply with federal and state law and to enable the VSC to respond promptly and effectively to such reports.

Signed by:

Jeb Spaulding, Chancellor

**CHANCELLOR’S PROCEDURES FOR IMPLEMENTATION OF POLICY 211:
WHISTLEBLOWER POLICY FOR REPORTING FRAUDULENT,
ILLEGAL OR IMPROPER ACTIVITIES**

The following procedures outline the steps available to individuals who have good faith concerns about fraudulent, illegal or improper activities occurring at the Vermont State Colleges, in accordance with VSC Policy 211. The Chancellor may modify these procedures as necessary to comply with federal and state law and to enable the VSC to respond promptly and effectively to reports of fraudulent, illegal or improper activities. Questions and Answers specific to the procedures applicable to a report filed with EthicsPoint’s hotline are attached hereto at Appendix A and shall be posted online with a link to EthicsPoint’s secure server.

I. DEFINITIONS

“Abuse of power” means the wrongful use of a position of authority to promote one’s own financial or other self-interest or to influence employees, students, colleagues, or volunteers (e.g., coercing others to participate in activities or decision-making in violation of laws, regulations or policies of the VSC).

“Allegation” means a report of suspected fraudulent, illegal or improper activities, made in good faith, to a supervisor, an advisor, an administrator, or the EthicsPoint hotline.

“Conflict of interest” refers to situations in which an individual or an individual’s family member has an existing or potential financial or other material interest that impairs or may appear to impair the individual’s independence and objectivity of judgment in the discharge of the individual’s responsibilities to the VSC.

“EthicsPoint” is the whistleblower hotline, operated by an external vendor and provided by the VSC for the purpose of reporting suspected fraudulent, illegal or improper activities. It is accessible electronically and by telephone. EthicsPoint is not a 911 or emergency service and should not be used to report events presenting an immediate threat to life or property. The Office of General Counsel, in consultation with the Chair of the Board of Trustees’ Audit Committee, is responsible for the administration of the EthicsPoint system.

“Fraudulent, illegal and improper activities” means, for purposes of this policy any act performed with the intention of obtaining an unauthorized benefit, such as money or property, by deception or other unethical means, including requesting others to perform an illegal act. The term “fraudulent, illegal and improper activities” also includes, more broadly, other actions or activities involving financial improprieties, criminal behavior, violations of other laws, or serious

or significant breaches of institutional policies. The term includes, but is not limited to, actions, attempted actions, and activities such as the following:

- Embezzlement, theft, misappropriation or other financial irregularities;
- Forgery, alteration, or falsification of official documents (such as checks, time sheets, contractor agreements, purchase orders, travel expense reports, student records, other financial documents, and electronic files);
- Improprieties in the handling or reporting of money or financial transactions;
- Improprieties in the approval, management, administration or assignment of contracts (including kickbacks);
- Theft or misappropriation of funds, securities, supplies, equipment, goods, inventory, or any other asset (including furniture, fixtures or equipment);
- Authorizing or making payment for goods not received or services not performed, or receiving payment or other consideration for goods not delivered or services not performed;
- Authorizing or receiving payments for hours not worked;
- Performing or directing employees to perform non-VSC work during work hours;
- Receiving a tangible personal benefit from a third party as a direct consequence of performance of duties as an employee of the VSC or a member college;
- Pursuing or obtaining a benefit or advantage in violation of VSC Policy 207: *Trustee and Executive Conflict of Interest Policy* or VSC Policy 210: *Employee Conflict of Interest Policy*;
- The wrongful use, disclosure or appropriation of an individual's personal information, such as identity theft, disclosure of a student's education records in violation of FERPA, or misuse of personal financial or other private information;
- Using VSC facilities or property for personal gain or any unauthorized use;
- Using public funds¹ inappropriately; and
- Other fraudulent activities that violate the law or VSC policy.

In addition, "illegal" or "improper" activities include, but are not limited to:

- Abuse of power;
- Use of illegal drugs and/or abuse or misuse of legal drugs or alcohol;
- Violence or a threat of violence;
- Discrimination or harassment;
- Misconduct or inappropriate behavior; and
- A failure to provide a safe and secure environment in accordance with applicable legal requirements, such as OSHA (unsafe working conditions).

¹ All monies received by the VSC are considered public funds under this policy including, but not limited to, state appropriations, tuition, room and board, student fees, restricted and unrestricted gifts, gifts-in-kind, restricted and unrestricted grants, ticket sales from athletics and other events, revenue from camps and conferences, book store monies, corporate sponsorship, and investment income.

“Good faith” refers to an individual’s honest belief, without malice or any intent to defraud or seek an unfair advantage. A report made in good faith that is not found to be substantiated is neither false nor malicious.

“Investigator” is an individual authorized by the VSC to conduct fact finding and analysis related to reports of fraudulent, illegal or improper activities. The term “investigator” in the singular includes collectively all members of an investigative team, including external experts, such as lawyers, accountants, and forensic specialists.

“Reporting” is the act of disclosing, in good faith and with candor, suspected fraudulent, illegal or improper activities to a supervisor, an advisor, an administrator, or the whistleblower hotline.

“Reporter” is the individual or entity making a report of alleged fraudulent, illegal or improper activities. A reporter may be a VSC employee (administrator, staff, or faculty), an applicant for employment, a student, a vendor, a contractor, or a member of the general public. A reporter may also be referred to as a “whistleblower.”

“Responsible Administrator” refers to those individuals responsible for overseeing the process for handling reports of suspected fraudulent, illegal or improper activities. The term also refers to any person designated by a Responsible Administrator to act in his or her stead.

“Retaliation” includes harassment, an adverse employment action, or an academic or educational consequence suffered by an individual as a result of a report of suspected fraudulent, illegal or improper activities.

II. CONFIDENTIALITY

All information contained in a report of suspected fraudulent, illegal and improper activities and resulting from any subsequent investigation is confidential to the extent possible under the law, any relevant collective bargaining agreement, VSC policy, and the legitimate needs of the investigation. This includes the identity of the reporter (if known), the identity of the individuals who are subject to or party to the allegations, and any private information disclosed within the investigation. Reported information will be kept securely and shared on a “need to know” basis only with those essential to the investigation and resolution of potential concerns. Reporters should be aware that their testimony may be needed in any related hearings or legal proceedings.

III. REPORTING

Individuals who are unsure about the propriety of their own or another person's actions are encouraged to review VSC policies, as well as applicable laws and regulations. If the potential impropriety is still unclear, individuals are encouraged to seek guidance from their supervisor, an advisor, or an official at the affected College or in the Office of the Chancellor.

Individuals are encouraged to report suspected fraudulent, illegal and improper activities to their supervisor, an advisor, or an administrator, before resorting to EthicsPoint. Reports should contain enough information to allow a determination to be made as to whether the reporter has alleged sufficiently that fraudulent, illegal and improper activities have occurred or are occurring and to permit a prompt and appropriate investigation to begin.

Reports submitted through the whistleblower hotline hosted by EthicsPoint are received by the Office of the Chancellor. Information about the procedures specific to EthicsPoint are attached hereto at Appendix A: *Questions and Answers on EthicsPoint*.

Reports can be filed with EthicsPoint in three ways:²

1. Through the VSC's website (<http://www.vsc.edu/faculty-and-staff/Pages/Employee-Benefits.aspx>) or through the websites of the member Colleges (search for the term "whistleblower");
2. Through the VSC/EthicsPoint web page hosted on an EthicsPoint secure server: <https://secure.ethicspoint.com/domain/media/en/gui/25224/index.html>; or
3. By dialing the toll-free EthicsPoint phone number: 1-866-215-4016. Phone lines are open 24/7 and multilingual operators are available.

IV. PRELIMINARY EVALUATION

A person receiving a report alleging suspected fraudulent, illegal or improper activities shall forward the report to the Dean of Administration at the affected College (or to the VSC Chief Financial Officer if the allegations relate to the Office of the Chancellor or the Board of Trustees). Reports filed through EthicsPoint shall be handled by the Office of the Chancellor. If the allegations implicate a Dean of Administration, the report shall be forwarded to the President at the affected College for further handling. If the allegations implicate the VSC Chief Financial Officer or General Counsel, the report shall be forwarded to the Chancellor for further handling. If the allegations implicate the Chancellor, the report shall be forwarded to the Chair of the Audit Committee of the Board of Trustees for further handling.

² Reports submitted via EthicsPoint are not required to be anonymous and reporters can choose to identify themselves.

The Responsible Administrator shall conduct a preliminary evaluation of the report within seven calendar days. If the report does not contain sufficient information, fails to state a credible claim of fraudulent, illegal or improper activity, or does not otherwise allege a violation of this Policy, the Responsible Administrator will advise the reporter that no further action will be taken. If the report does contain sufficient credible information and an investigation is warranted, the Responsible Administrator shall refer the report for investigation and shall notify the Office of General Counsel.

If circumstances warrant, the Chancellor, President, the VSC Chief Financial Officer, or the Chair of the Audit Committee, in consultation with General Counsel or with outside counsel, shall notify appropriate external authorities (such as law enforcement, federal granting agencies, the NCAA, etc.) of the allegations.

V. INTERIM ACTION

The Dean of Students, in consultation with the Responsible Administrator, may suspend a student and the President or Chancellor may place an employee on administrative leave (under the terms of any applicable collective bargaining agreement or the VSC personnel handbook) where there is cause to believe that the continued presence of the person may interfere with the investigation, may expose VSC property to further loss or misuse, or may pose a substantial threat to people, property or the continuance of normal operations of the VSC. When appropriate, immediate action shall be taken to secure and protect from destruction or alteration all pertinent records.

VI. INVESTIGATION

The Responsible Administrator shall select an investigator, or an investigative team, to conduct an impartial investigation into reports that contain sufficient credible information and warrant further investigation

Investigations shall be conducted and reported in a manner that: (1) fulfils the VSC's legal and fiduciary responsibilities; (2) minimizes the loss and promotes recovery of VSC resources; (3) identifies controls that should be strengthened to reduce future fraudulent, illegal or improper activities; (4) protects the public trust; (5) protects the rights of those who are the subject of the investigation and those making the allegations; (6) provides confidentiality compatible with an effective response and applicable reporting requirements; and (7) guards against any real or apparent conflicts of interest.

At the conclusion of the investigation, the investigator shall make a finding as to whether, by a preponderance of the evidence, the subject of the investigation engaged in any fraudulent, illegal

or improper activities or retaliated against anyone in violation of this Policy. The investigator shall also advise the Responsible Administrator whether any systemic problems or inadequate internal controls exist and, if so, shall recommend corrective actions. The Office of General Counsel shall be notified of the investigative findings and any corrective actions recommended and/or taken.

VII. DISCIPLINARY ACTION

If the investigator finds that the subject has engaged in any fraudulent, illegal or improper activities and the Responsible Administrator concurs, the subject shall be sent a letter outlining any discipline being contemplated, consistent with legal requirements. Sanctions may range from reprimand up to and including dismissal. If the subject is a student, the Dean of Students shall initiate procedures related to policy violations by students. If the subject is an employee of one of the member Colleges, the President shall initiate the disciplinary procedures set forth in the relevant employee collective bargaining agreement or, in the case of employees not covered by a collective bargaining agreement, the VSC personnel handbook. If the subject is an employee of the Chancellor's Office, the Chancellor shall initiate the disciplinary procedures set forth in the VSC personnel handbook. If the subject is a President, the Chancellor has the authority to take interim disciplinary action pending consideration and action by the Board of Trustees. If the Chancellor is the subject, the Board of Trustees shall consider and take action as appropriate. The Office of General Counsel shall be notified of any disciplinary action taken.

VIII. ROLE OF REPORTER, SUBJECT OF INVESTIGATION, AND WITNESSES

A. Reporter

Reporters have a responsibility to be candid with investigators and those to whom they make a report of alleged fraudulent, illegal or improper activities and to provide all information known to them regarding the allegations. For reports filed anonymously, investigators have the ability to conduct confidential, online interviews with reporters via the EthicsPoint secure website.

Reporters are not investigators and should not conduct any investigative activities of their own. Reporters should not obtain or access information which they are not authorized to obtain or review. A reporter's right to protection from retaliation under this Policy does not provide immunity for his or her complicity in the matters that are the subject of the allegations or an ensuing investigation.

As circumstances warrant and as the law permits, reporters may be informed as to the final outcome resulting from their allegations.

B. Subject of Investigation

The decision to conduct an investigation is not an accusation; it is to be treated as a neutral fact-finding process. The outcome of the investigation may or may not support a conclusion that a fraudulent, illegal or improper act was committed or that this Policy was otherwise violated by the subject. The identity of a subject should be maintained in confidence to the extent possible given the legitimate needs of the investigation and legal requirements.

Subjects normally should be informed of the allegations at the outset of a formal investigation and be given the opportunity to provide information during the investigation. If the subject is not informed of the allegations at the outset, the subject shall be informed of the allegations prior to being interviewed by the investigator. Subjects are expected to cooperate with investigators. They have the right to consult with an advisor of their choosing, including legal counsel.

Subjects have a responsibility not to interfere with the investigation and to adhere to admonitions from investigators in this regard. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached or intimidated.

C. Witnesses

Individuals who are interviewed, asked to provide information or otherwise participate in an investigation under this Policy are expected to cooperate fully with investigators. Witnesses should refrain from discussing or disclosing the investigation or their testimony with others. Requests for confidentiality by witnesses will be honored to the extent possible within the legitimate needs of the investigation or within the requirements of law. Retaliation against witnesses for participating in an investigation is prohibited by this Policy.

IX. RECORD-KEEPING

All records of reports, anonymous or not, including any investigations and subsequent actions, shall be retained in accordance with the schedule set forth in VSC Policy 209: *Records Retention* governing student records, personnel records, financial records, and legal records, as applicable.

Effective September 23, 2015.

Signed by:

Jeb Spaulding, Chancellor

Appendix A to VSC Policy 211: *Whistleblower Policy for Reporting Fraudulent, Illegal or Improper Activities*

QUESTIONS AND ANSWERS ON ETHICSPPOINT

1. What is EthicsPoint?

EthicsPoint is a comprehensive and confidential reporting tool that allows people to report suspected illegal and unethical conduct anonymously. It is used by thousands of organizations, including hundreds of educational institutions. The EthicsPoint hotline is available 24 hours per day, 365 days per year, and is staffed by specially trained EthicsPoint personnel.

2. What type of situations should be reported?

EthicsPoint may be used to report any suspected activities described in Policy 211. Users may choose one of the following types of reports:

- Accounting and auditing matters
- Conflicts of interest
- Discrimination or harassment
- Embezzlement
- Falsification of contracts, reports or records
- Misconduct or inappropriate behavior
- Sabotage or vandalism
- Securities violations
- Substance abuse
- Theft
- Unsafe working conditions
- Violation of policy
- Violence or threat
- Other (to be used if the event, action or situation does not fall into one of the above categories).

3. How are reports submitted to EthicsPoint?

Users can file reports via either the telephone or the Internet:

- Through the VSC's website at <http://www.vsc.edu/faculty-and-staff/Pages/Employee-Benefits.aspx> or the websites of the member Colleges (search for the term "whistleblower");

- Through the VSC/EthicsPoint web page hosted on an EthicsPoint secure server at <https://secure.ethicspoint.com/domain/media/en/gui/25224/index.html>;
- By dialing the toll-free EthicsPoint phone number: 1-866-215-4016. Phone lines are open 24/7 and multilingual operators are available.

4. Where do the reports go? Who is notified about reports?

Reports are entered directly on the EthicsPoint secure server to prevent any possible breach in security. EthicsPoint will notify the Chair of the Audit Committee of the Board of Trustees, the Chancellor, General Counsel, and Associate General Counsel of all reports filed with EthicsPoint. In addition, EthicsPoint will notify the VSC Chief Financial Officer of any reports involving alleged financial irregularities and the VSC Director of Human Resources of any reports alleging employment-related issues. If any of these individuals are implicated in a report, the EthicsPoint system and report distribution are designed so that such individuals are not notified and do not have access to reports in which they have been named. Unless the President is implicated in an EthicsPoint report or there is a reasonable justification for not notifying the President, Presidents are notified by the Office of the Chancellor about reports relating to their College.

5. Can the VSC identify the reporter?

No. EthicsPoint does not generate or maintain any internal connection logs with IP addresses, so no information linking a reporter's computer to EthicsPoint is available. EthicsPoint is contractually committed not to pursue a reporter's identity. If a reporter feels uncomfortable making a report on a VSC computer, the reporter can use a non-VSC computer (such as one located at home, an Internet café, at a friend's house, etc.) to access the EthicsPoint secure website. An Internet portal never identifies a visitor by screen name and the EthicsPoint system strips away Internet addresses so that anonymity is maintained.

Note: The EthicsPoint system is designed to protect a reporter's anonymity but reporters should review the body of their report to make sure that they have not revealed their identity unintentionally. For example, "From my office next to Jan Smith..." or "In my 33 years..."

6. Is the telephone toll-free hotline confidential and anonymous too?

Yes. Reporters will be asked to provide the same information that they would provide in an Internet-based report and an EthicsPoint interviewer will type the responses into the EthicsPoint Web site. These reports have the same security and confidentiality measures applied to them during delivery.

7. What if a reporter does not want to be anonymous?

There is a section in the report allowing reporters to identify themselves if they wish.

8. What if a reporter is not sure whether something he or she has seen or heard is a violation of VSC policy or involves unethical conduct?

If in doubt, file a report. EthicsPoint can help a reporter to prepare and file a report so it can be properly understood. The VSC would prefer that a situation that turns out to be harmless be reported rather than let possible unethical behavior go unchecked. Reporters may have useful knowledge of an activity that could be a cause for concern. Early reporting may minimize the potential negative impact of the suspected activity on the VSC, its students, and employees.

9. What happens after a report has been filed with the EthicsPoint hotline?

Typically, a reporter will receive confirmation within 2-3 business days that the Office of the Chancellor has received the report and that it will be reviewed. Then the Office of the Chancellor will make a preliminary evaluation of the report. If further investigation is merited, the Office of the Chancellor will appoint an investigator or, if appropriate, refer the report to a member College for further handling. As circumstances warrant and as the law permits, the reporter may be informed whether an investigation is being undertaken and may be informed as to the final outcome.

**10. What if a reporter remembers something important after the report has been filed?
What if the VSC has questions for the reporter?**

When a report is filed at the EthicsPoint Web site or through the EthicsPoint Call Center, the reporter receives a unique user name and is asked to choose a password. The reporter can return to the EthicsPoint system again either by Internet or telephone and access the original report to add more detail or answer questions posed by the VSC or an investigator and add further information that will help resolve open issues. The EthicsPoint website supports the uploading of documents and photographs in support of a reporter's allegations. Reporters are encouraged to return to the site frequently to check for any updates and to answer follow-up questions. The reporter and the VSC will be part of an "anonymous dialogue." All follow-ups are held in the same confidence as the initial report.



Manual of Policy and Procedures

Title	Number	Page
EMPLOYEE CONFLICT OF INTEREST POLICY	210	1 of 3
		Date 1/29/2009/9/23/15

POLICY STATEMENT:

To ensure continued confidence of Vermonters in the Vermont State Colleges (hereinafter “VSC”) and its personnel, individuals serving the VSC shall at all times act in a manner consistent with their public responsibilities and shall exercise particular care that no real or perceived detriment to the VSC results from conflicts between personal interests and those of the VSC.

It is the policy of the VSC that its officers, faculty, staff and others acting on its behalf have the obligation to avoid ethical, legal, financial or other conflicts of interest and to ensure that their activities and interests do not conflict with their obligation to the VSC or to its welfare.

This policy applies to all VSC employees not otherwise covered by VSC Policy 207: *Trustee and Executive Conflict of Interest Policy* (~~VSC Board of Trustees and executives~~). The policy also applies to persons affiliated or associated with the VSC, including members of advisory boards to the VSC.

This policy is to be interpreted and applied in a manner that will best serve the interests of the VSC and that distinguishes between those minor and inconsequential conflicts which are unavoidable and those conflicts which are substantial and material. A conflict of interest may exist when an employee, a close relative, or a person or organization with whom the employee is associated has an existing or potential financial or other interest which involves the employee's VSC responsibilities.

The policy does not prohibit an employee from freely pursuing those teaching, research, and professional and public service activities which will not result in such a conflict, nor prohibit an employee from accepting pay, compensation, fees, honoraria, or reimbursement of expenses which may be offered in connection with such activities.

PROCEDURES:

Disclosure and Consultation: The following procedures apply except in situations where a procedure is otherwise provided by a collective bargaining agreement. Each College President and, for employees not employed directly by one of the five Colleges, the Chancellor, shall develop a procedure for disclosure and consultation within the following parameters:

1. If an employee believes that he or she may have a conflict of interest, the employee shall promptly and fully disclose the conflict to the appropriate administrator (the Chancellor, the President,'s or theirPresident's designee) and shall refrain from participating in any way in the matter to which the conflict relates until the conflict in question has been resolved.
2. When it appears that a material conflict may arise between the personal interest of an employee and his or her responsibilities to the VSC, the employee shall notify the appropriate administrator by submitting a written statement describing the nature of the possible conflict. If an apparent conflict comes to the attention of the administrator, that individual may request a written statement from the employee.
3. If an employee is in doubt as to whether he or she is confronted with a potential conflict of interest, the employee shall consult with the appropriate administrator to determine if the outside interests could conflict impermissibly with employee's obligations to the VSC.
4. The appropriate administrator promptly shall notify the employee in writing that (a) there is no conflict and the employee may proceed; or (b) there may be a conflict and further consultation is necessary prior to reaching a determination; (c) there is a conflict and the employee shall not proceed with his or her personal interest which results in the conflict; or (d) there is a conflict but either the conflict is insubstantial or cured by the disclosure or it is determined that after full disclosure the VSC's interests are best served by participation of the employee despite the conflict or appearance of conflict.
5. The employee may appeal the administrator's decision to the President (Chancellor for Chancellor's Office employees or employees of programs not affiliated with a member College).
6. The employee must report any significant changes in an outside interest that occur during the year and consult with the appropriate administrator if the undertaking of a new outside interest is considered, to the extent such significant change or undertaking would create an actual or perceived conflict of interest.

7. Any VSC employee who is aware of an unreported conflict of interest or appearance of a conflict on the part of another VSC employee, without fear of reprisal, shall report that information to an appropriate administrator.
8. Any significant violations of this policy shall be reported to the Chancellor or President.

GENERAL PROVISIONS

1. VSC employees shall make no unauthorized commitments or promises of any kind purporting to bind the VSC.
2. VSC employees shall act impartially and not give preferential treatment to any private or public organization or individual.
- ~~3. VSC employees shall promptly disclose any waste, fraud, abuse and corruption of which they are aware.~~
- 4.3. VSC employees shall endeavor to avoid any actions that would create the appearance of conflict of interest.
- 5.4. Nothing herein shall be construed to be inconsistent with the provisions of any collective bargaining agreement unless such contrary interpretation is required by law.

CHANCELLOR'S ILLUSTRATIVE GUIDANCE

The Chancellor shall develop, maintain and, from time to time, amend as needed procedures and illustrative guidance in order to implement this policy in a fair and consistent manner. ~~The procedures shall include a method for e~~Employees and others may use the whistleblower hotline to report anonymously allegations of conflict of interest, as well as waste, fraud, illegal or improper activities~~abuse and corruption.~~

SANCTIONS

Reports of violations of this Policy shall be carefully examined with due regard for the academic freedom and rights of the employee and the interests of the VSC. Charges of violations of this Policy will be processed through the normal channels under the VSC Personnel Handbook or applicable collective bargaining agreement, and sanctions may range from reprimand up to and including dismissal.

Cross References

- VSC Policy 207: Trustee and Executive Conflict of Interest Policy
- VSC Policy 211: Whistleblower Policy for Reporting Fraudulent, Illegal or Improper Activities

Signed by:

Jeb Spaulding, Chancellor



Manual of Policy and Procedures

Title EMPLOYEE CONFLICT OF INTEREST POLICY	Number 210	Page 1 of 3
	Date 9/23/15	

POLICY STATEMENT:

To ensure continued confidence of Vermonters in the Vermont State Colleges (hereinafter “VSC”) and its personnel, individuals serving the VSC shall at all times act in a manner consistent with their public responsibilities and shall exercise particular care that no real or perceived detriment to the VSC results from conflicts between personal interests and those of the VSC.

It is the policy of the VSC that its officers, faculty, staff and others acting on its behalf have the obligation to avoid ethical, legal, financial or other conflicts of interest and to ensure that their activities and interests do not conflict with their obligation to the VSC or to its welfare.

This policy applies to all VSC employees not otherwise covered by VSC Policy 207: *Trustee and Executive Conflict of Interest Policy*. The policy also applies to persons affiliated or associated with the VSC, including members of advisory boards to the VSC.

This policy is to be interpreted and applied in a manner that will best serve the interests of the VSC and that distinguishes between those minor and inconsequential conflicts which are unavoidable and those conflicts which are substantial and material. A conflict of interest may exist when an employee, a close relative, or a person or organization with whom the employee is associated has an existing or potential financial or other interest which involves the employee's VSC responsibilities.

The policy does not prohibit an employee from freely pursuing those teaching, research, and professional and public service activities which will not result in such a conflict, nor prohibit an employee from accepting pay, compensation, fees, honoraria, or reimbursement of expenses which may be offered in connection with such activities.

PROCEDURES:

Disclosure and Consultation: The following procedures apply except in situations where a procedure is otherwise provided by a collective bargaining agreement. Each College President and, for employees not employed directly by one of the five Colleges, the Chancellor, shall develop a procedure for disclosure and consultation within the following parameters:

1. If an employee believes that he or she may have a conflict of interest, the employee shall promptly and fully disclose the conflict to the appropriate administrator (the Chancellor, the President, or their designee) and shall refrain from participating in any way in the matter to which the conflict relates until the conflict in question has been resolved.
2. When it appears that a material conflict may arise between the personal interest of an employee and his or her responsibilities to the VSC, the employee shall notify the appropriate administrator by submitting a written statement describing the nature of the possible conflict. If an apparent conflict comes to the attention of the administrator, that individual may request a written statement from the employee.
3. If an employee is in doubt as to whether he or she is confronted with a potential conflict of interest, the employee shall consult with the appropriate administrator to determine if the outside interests could conflict impermissibly with employee's obligations to the VSC.
4. The appropriate administrator promptly shall notify the employee in writing that (a) there is no conflict and the employee may proceed; or (b) there may be a conflict and further consultation is necessary prior to reaching a determination; (c) there is a conflict and the employee shall not proceed with his or her personal interest which results in the conflict; or (d) there is a conflict but either the conflict is insubstantial or cured by the disclosure or it is determined that after full disclosure the VSC's interests are best served by participation of the employee despite the conflict or appearance of conflict.
5. The employee may appeal the administrator's decision to the President (Chancellor for Chancellor's Office employees or employees of programs not affiliated with a member College).
6. The employee must report any significant changes in an outside interest that occur during the year and consult with the appropriate administrator if the undertaking of a new outside interest is considered, to the extent such significant change or undertaking would create an actual or perceived conflict of interest.

7. Any VSC employee who is aware of an unreported conflict of interest or appearance of a conflict on the part of another VSC employee, without fear of reprisal, shall report that information to an appropriate administrator.
8. Any significant violations of this policy shall be reported to the Chancellor or President.

GENERAL PROVISIONS

1. VSC employees shall make no unauthorized commitments or promises of any kind purporting to bind the VSC.
2. VSC employees shall act impartially and not give preferential treatment to any private or public organization or individual.
3. VSC employees shall endeavor to avoid any actions that would create the appearance of conflict of interest.
4. Nothing herein shall be construed to be inconsistent with the provisions of any collective bargaining agreement unless such contrary interpretation is required by law.

CHANCELLOR'S ILLUSTRATIVE GUIDANCE

The Chancellor shall develop, maintain and, from time to time, amend as needed procedures and illustrative guidance in order to implement this policy in a fair and consistent manner.

Employees and others may use the whistleblower hotline to report anonymously allegations of conflict of interest, as well as fraud, illegal or improper activities.

SANCTIONS

Reports of violations of this Policy shall be carefully examined with due regard for the academic freedom and rights of the employee and the interests of the VSC. Charges of violations of this Policy will be processed through the normal channels under the VSC Personnel Handbook or applicable collective bargaining agreement, and sanctions may range from reprimand up to and including dismissal.

Cross References

- VSC Policy 207: *Trustee and Executive Conflict of Interest Policy*
- VSC Policy 211: *Whistleblower Policy for Reporting Fraudulent, Illegal or Improper Activities*

Signed by:

Jeb Spaulding, Chancellor

CHANCELLOR’S ILLUSTRATIVE GUIDANCE TO POLICY 210: *EMPLOYEE CONFLICT OF INTEREST POLICY*

The following provides illustrative guidance as to situations that may constitute a conflict of interest, pursuant to Policy 210. These are intended to be illustrative only and do not provide an exhaustive list of all conduct that may constitute a violation of Policy 210.

1. Personal Gain from VSC Position

- a. An employee may not use or attempt to use his or her position or VSC property or services, to gain or attempt to gain anything for the private benefit of the employee.
- b. An employee may not solicit or accept any money or other thing of value for services performed within the scope of that employee’s official duties, except compensation, expenses or other remuneration paid by the VSC.
- c. An employee may not solicit or accept any money or other thing of value for or in consideration of the use of that employee’s position to obtain a contract for any person or business, nor may an employee solicit or receive gifts or entertainment of more than nominal or *de minimis* value (e.g., \$25.00) from suppliers of goods or services, or from persons known to be or likely to be associated with or seeking association with the VSC.
- d. An employee shall not use confidential information acquired in connection with VSC related activities for personal gain or for other unauthorized purposes. This prohibition applies during and after an employee’s service with the VSC.
- e. An employee may not solicit, offer, confer, agree to confer, accept or agree to accept any benefit in exchange for his or her, decision, opinion, recommendation, vote or other exercise of official power or discretion.

2. Contracting and Leasing

- a. An employee may not enter into any contract or lease with the VSC if the employee is in a position to approve or influence in his or her official capacity the VSC’s decision to enter into the contract or lease, unless such contract or lease is deemed in the best interests of the VSC and has the approval of the appropriate administrator.
- b. If the employee is not in a position to approve or influence the VSC’s decision, the employee may enter into a contract or lease, provided the employee makes prior written disclosure to the appropriate administrator of the nature and extent of any relationship and obtains written approval. The administrator shall grant such approval unless the administrator determines that the employee’s personal interest in the agreement will conflict substantially and materially with the employee’s discharge of his or her VSC responsibilities.

3. Outside Commitment

- a. Employees are permitted to engage in outside consulting activities and other outside activities provided the employee meets his/her obligation to the VSC and complies with any applicable provisions of a collective bargaining agreement concerning outside employment, including notification.
- b. An employee shall not accept any outside position that would impair the employee's ability to fulfill the employee's obligations to the VSC.
- c. An employee shall not engage in outside employment or activities which could be viewed as impairing the employee's judgment in the performance of VSC duties and responsibilities.
- d. If a faculty member maintains significant and regular outside employment, he/she shall advise the Academic Dean and President of such employment.
- e. An employee shall not engage in negotiations for employment outside the VSC that would conflict or appear to conflict with official VSC duties.

4. Use of VSC Name and Resources

- a. An employee shall not use the official title of the VSC or any of its parts, in whatever form that title may appear, except in connection with legitimate VSC purposes.
- b. The VSC's name, facilities, equipment, stationery, supplies, personnel and other resources are to be used only for the furtherance of the VSC's mission. An employee shall not make unauthorized use of any VSC resources, including the services of VSC employees, for the personal benefit of the employee.

5. Nepotism

Close relatives may be employed in the same or different departments of the VSC. For the purposes of this policy, in addition to its ordinary meaning, the term "close relatives" shall include significant others in the household and partners to a civil union.

The fact that an employee is a close relative of another employee in the same or different department shall not be used as a basis for denying to the employee the rights, privileges or benefits of regular appointment or regular job status. A close family relationship shall not be used as a basis for denying a student the rights, privileges or benefits of access to academic resources.

- a. An employee may not be assigned a direct supervisory role over a close relative. If needed, alternative arrangements for supervisory decisions shall be made before employment of a close relative. The VSC reserves the right, subject to any applicable collective bargaining agreement provisions, to reassign employees or duties when deemed a prudent business or management practice.
- b. An employee shall not participate in institutional decisions involving a direct benefit to a close relative. Such decisions include, but shall not be limited to, initial appointment, retention, promotion, tenure, salary and leave of absence.

Draft – 8/6/15

- c. An employee may not give preferential or favored treatment in the supervision or management of another VSC employee who is a close relative.
- d. An employee shall not participate in decisions regarding students that involve a direct benefit to a close relative. Alternative arrangements for such decisions shall be made for close relatives. “Decisions regarding students” include, but are not limited to, acceptance to an academic program, grades and recommendation for awards or work-study employment.

VERMONT STATE COLLEGES

BOARD OF TRUSTEES

RESOLUTION

Adoption of Policy 211, *Whistleblower Policy for Reporting Fraudulent, Illegal or Improper Activities*, and Approval of Revisions to Policy 210, *Conflict of Interest – Employees*

WHEREAS, In 2009 the Board of Trustees directed the Chancellor's Office to create a whistleblower reporting system for use by all VSC employees, and the EthicsPoint hotline system was established for this purpose; and

WHEREAS, Having implemented EthicsPoint throughout the VSC, the Board wishes to formalize the ways in which the system is to be used by adopting Policy 211, *Whistleblower Policy for Reporting Fraudulent, Illegal or Improper Activities*, as attached along with accompanying implementation procedures to be developed by the Chancellor; and

WHEREAS, Policy 210, *Conflict of Interest – Employees* as adopted by the Board of Trustees in 2009 addresses in its general provisions the need for employees to avoid not only conflicts of interest but also a variety of illegal or improper activities; and

WHEREAS, Because proposed Policy 211 provides extensive guidance for employees to report fraudulent, illegal, or improper behavior, Policy 210 has been revised to pertain solely to conflict of interest issues along with illustrative guidance; therefore, be it

RESOLVED, That the Vermont State Colleges Board of Trustees hereby adopts Policy 211, *Whistleblower Policy for Reporting Fraudulent, Illegal, or Improper Activities*, and approves the revisions to Policy 210, *Conflict of Interest – Employees*, as attached.

September 23, 2015

3. Endorsement of Grant Proposal

Johnson State College seeks endorsement of its five-year “Student Success in the First Year and Beyond” grant in the amount of \$2,217,714 from the US Department of Education. This grant funds the college’s TRIO program and its purpose is to transform the curriculum and academic support systems for freshmen, sophomores, juniors, transfers, and near-completers.

Vermont State Colleges Grant Proposal Budget Analysis

Form A & B

College:	Johnson State College
Grant Title:	Student Success in the First Year and Beyond
Grant Agency:	U.S. Department of Education , Office of Postsecondary Education: Strengthening Institutions Program
Project Director:	Daniel Regan, Dean of Academic Affairs
Purpose of Grant:	Transforming the curriculum and academic support systems for freshmen, sophomores, juniors, transfers, and near-completers; also, endowment growth

Grant Period: 10/1/2015 to 9/30/2020

Review Period: 5 Multi-Yr** / Cumulative Grant Amt: \$2,217,714
 **(please enter number of years covered)

Proposed Funding	1st Yr		2nd Yr		3rd Yr	
	Grant	College	Grant	College	Grant	College
Direct Costs	-----	-----	-----	-----	-----	-----
Salaries & Wages	\$ 133,750.00		\$ 148,438.00		\$ 115,781.00	
Employee Benefits	\$ 85,191.00		\$ 88,834.00		\$ 69,291.00	
Operations						
Travel	\$ 33,000.00		\$ 33,000.00		\$ 43,500.00	
Equipment	\$ 15,000.00		\$ 5,300.00		\$ 11,000.00	
Library Acquisitions						
Other	\$ 181,500.00	\$ 70,000.00	\$ 164,000.00	\$ 70,000.00	\$ 209,000.00	\$ 100,000.00
Total Direct	\$ 448,441.00	\$ 70,000.00	\$ 439,572.00	\$ 70,000.00	\$ 448,572.00	\$ 100,000.00
Indirect Costs*						
Total Budget	\$ 448,441.00	\$ 70,000.00	\$ 439,572.00	\$ 70,000.00	\$ 448,572.00	\$ 100,000.00

*(In-Kind & Other costs for space, utilities, maintenance, administrative support, etc.)

What is(are) the sources of College Funding? Private gifts for endowment match

What continuing cost obligations does Granting Agency require/expect? None

What Continuing cost obligations does the College intend/see likely? Gradual shift to College budget of grant-su

Business Officer Review by: Shannon Roberts Date: 7/20/15

Programmatic Review by: W.P. Regan Date: 7/8/2015

Full required documentation is being submitted, including all appropriate assurances regarding Civil Rights, People with Disabilities, Sex Discrimination, Human Subjects, Laboratory Animals, etc.

Presidential Review by:

Elaine C Colless

Date:

7/21/15

Full required documentation is being submitted, including all appropriate assurances regarding Civil Rights, People with Disabilities, Sex Discrimination, Human Subjects, Laboratory Animals, etc.

Vermont State Colleges Grant Proposal Budget Analysis

Form A & B

College: Johnson State College

Grant Title: Student Success in the First Year and Beyond

Grant Agency: U.S. Department of Education, Office of Postsecondary Education, Strengthening Institutions Program

Project Director: Daniel Regan, Dean of Academic Affairs

Purpose of Grant: Transforming the curriculum and academic support systems for freshmen, sophomores, juniors, seniors, transfers, and near-completers; also, endowment growth.

Grant Period: 10/1/15 to 9/30/20

Review Period: 5 Multi-Yr** / Cumulative Grant Amt: \$2,217, 714
 **(please enter number of years covered)

Proposed Funding	4th Yr.		5th Yr.		Grant	College
	Grant	College	Grant	College		
Direct Costs	-----	-----	-----	-----	-----	-----
Salaries & Wages	\$84,176.00		\$55,220.00			
Employee Benefits	\$51,479		\$35,787.00			
Operations						
Travel	\$57,000.00		\$57,000.00			
Equipment	\$33,000.00		\$24,494.00			
Library Acquisitions						
Other	\$219,000.00	\$120,000.00	\$264,000.00	\$140,000.00		
Total Direct	\$444,655.00	\$120,000.00	\$436,501.00	\$140,000.00	\$ -	\$ -
Indirect Costs*						
Total Budget	\$444,655.00	\$120,000.00	\$436,501.00	\$140,000.00	\$ -	\$ -

*(In-Kind & Other costs for space, utilities, maintenance, administrative support, etc.)

What is(are) the sources of College Funding? Private gifts for endowment match.

What continuing cost obligations does Granting Agency require/expect? None.

What Continuing cost obligations does the College intend/see likely? Gradual shift to College budget of grant-supported personnel.

Business Officer Review by: See other sheet for signatures Date: _____

Programmatic Review by: _____ Date: _____

Presidential Review by: _____ Date: _____

Full required documentation is being submitted, including all appropriate assurances regarding Civil Rights, People with Disabilities, Sex Discrimination, Human Subjects, Laboratory Animals, etc.

Subject: RE: Good News

Date: Wednesday, July 15, 2015 at 10:44:52 AM Eastern Daylight Time

From: Madden, Karen F.

To: Philie, Lauren A.

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF LEGISLATION AND CONGRESSIONAL AFFAIRS

Reference Grant Award Number: #P042A150192

VERMONT

JOHNSON STATE COLLEGE has been selected to receive funding under the STUDENT SUPPORT SERVICES PROGRAM (84.042A). This grant will be in the amount of \$393,484.00 for the first budget

period (09/01/2015 through 08/31/2016). It is anticipated that the grant will be for a total of 5 year(s). Please

see the attached abstract for a brief description of the activities that will be funded under this grant.

The contact at the JOHNSON STATE COLLEGE is:

KAREN F MADDEN

JOHNSON STATE COLLEGE

337 COLLEGE HILL

JOHNSON, VT 05656-9898

(802) 635-1438

From: Philie, Lauren A.

Sent: Wednesday, July 15, 2015 10:43 AM

To: Madden, Karen F.

Subject: RE: Good News

Huh. Is this the Dept of Ed grant for \$1.9 million? Thanks, Lauren

Lauren Philie

Director of Development and Alumni Relations

Johnson State College, 337 College Hill, Johnson, VT 05656

(802) 635-1657 lauren.philie@jsc.edu

www.jsc.edu/givetojsc

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From: Madden, Karen F.

Sent: Wednesday, July 15, 2015 10:42 AM

To: Philie, Lauren A.

Subject: RE: Good News

I got my copy from the central office

From: Philie, Lauren A.
Sent: Wednesday, July 15, 2015 10:40 AM
To: Madden, Karen F.
Cc: Duffy, Sandra L.
Subject: RE: Good News

Congratulations! Can you please send me a copy of the confirmation letter or email you received so I can report it to Central Office? Thanks, Lauren

Lauren Philie
Director of Development and Alumni Relations
Johnson State College, 337 College Hill, Johnson, VT 05656
(802) 635-1657 lauren.philie@jsc.edu
www.jsc.edu/givetojsc

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From: Madden, Karen F.
Sent: Wednesday, July 15, 2015 10:23 AM
To: JSCFaculty; JSCStaff
Subject: Good News

Good Morning, I am happy to report that JSC's Student Support Services TRIO program was funded for another five years. Karen

Karen Madden, Ph.D.
Director, Academic Support Services
Johnson State College
337 College Hill
Johnson, VT 05452
(802) 635-1259

VERMONT STATE COLLEGES

BOARD OF TRUSTEES

RESOLUTION

Endorsement of Grant Proposal

WHEREAS, Revised VSC Policy 408 requires Board approval for grants requesting \$750,000 or more per fiscal year, or involve annual matching or cost sharing of \$375,000 or more even though budget changes are not required; and

WHEREAS, The VSC Finance & Facilities Committee has appropriately reviewed the current grant proposal and recommends it to the full Board; therefore, be it

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

- Johnson State College's "Student Success in the First Year and Beyond" grant from the US Department of Education in the amount of \$2,217,714 with \$500,000 in other funding sources over five years.

4. Establishment of Endowments: Consent Agenda

Lyndon State College seeks endorsement to establish the following endowments:

- a. The Joe D'Aleo Endowment for Meteorology in the amount of \$20,000 for Atmospheric Sciences students in good standing with preference given to students with financial need.
- b. The Jacob "Jake" Gregg Memorial MBI Endowment in the amount of \$22,820 for Music Business and Industry students to help defray the costs of participating in the program.

August 20, 2015

Mr. Jeb Spaulding, Chancellor
Vermont State Colleges
P.O. Box 7
Montpelier, VT 05601-0007

Dear Chancellor Spaulding:

I am pleased to send you the New Funding Source Document required for establishing an endowment in the amount of \$20,000 to be titled, *The Joe D'Aleo Endowment for Meteorology*.

The endowment is funded with \$10,000 from alumnus Ralph Vasami. This gift has been matched by \$10,000 from Lyndon State College's Endowment Development Fund. The total amount available to establish this endowment is \$20,000.

I request that the Vermont State Colleges' Board of Trustees accept these gifts and approve the establishment of The Joe D'Aleo Endowment for Meteorology.

Sincerely,



Joe Bertolino
President

Attachment

Appendix C

New Funding Source Document

College Name: **LYNDON STATE COLLEGE**

Submit to Chancellor's Office for all activities based upon a new funding source.

Place copy in front of any applicable master file.

1. Name of grant, endowment, or other activity: (type in all CAPS)

THE JOE D'ALEO ENDOWMENT FOR METEOROLOGY

2. Granting agency/donor/other/funding source: (attach support information)

Ralph Vasami and LSC's Endowment Development Fund

3. Purpose of activity:

To provide scholarship support to Atmospheric Sciences students in good academic standing with preference given to students with financial need. Selection to be made by ATM faculty.

4. a. Proper accounting fund:

- General
- Designated
- Auxiliary
- Restricted
- Agency
- Loan
- Regular Endowment
- Term Endowment
- Unrestr'd Quasi-Endwmt
- Restricted Quasi-Endwmt

b. Why was this fund selected?

To provide scholarship opportunities based on above defined criteria.

5. General Ledger account number: (as proposed or assigned) **TBA**

6. a. Beginning date: **September 2015**

b. Ending date: **None**

c. Duration: **In Perpetuity**

7. Reporting requirements: (format/to whom/frequency/other): **None**


8. a. Funding amount: **\$20,000** b. One-time OR Ongoing funding (indicate timeframe:)

9. a. If endowment, is principal use allowed? (w/Board OK?) Yes No

b. If yes, is replenishment of principal allowed or required: Yes No

10. If investment proceeds generated, indicate intended disposition:

- Fully expend for program as prescribed
 - Increase principal for inflation and expend remainder
 - Fully apply to increasing principal
 - Other (describe)
-

11) President: 

12) Date to Ch's Ofc:

13) Date Board Approved:



August 20, 2015

Mr. Jeb Spaulding, Chancellor
Vermont State Colleges
P.O. Box 7
Montpelier, VT 05601-0007

Dear Chancellor Spaulding:

I am pleased to send you the New Funding Source Document required for establishing an endowment in the amount of \$22,820 to be titled, *The Jacob "Jake" Gregg Memorial MBI Endowment*.

The endowment is funded with \$11,535 in memorial contributions from friends and family of Jacob Gregg. These gifts have been matched by \$11,285 from Lyndon State College's Endowment Development Fund. The total amount available to establish this endowment is \$22,820.

I request that the Vermont State Colleges' Board of Trustees accept these gifts and approve the establishment of The Jacob "Jake" Gregg Memorial MBI Endowment.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Bertolino", with a long horizontal flourish extending to the right.

Joe Bertolino
President

Attachment

Appendix C

New Funding Source Document

College Name: **LYNDON STATE COLLEGE**

Submit to Chancellor's Office for all activities based upon a new funding source.

Place copy in front of any applicable master file.

1. Name of grant, endowment, or other activity: (type in all CAPS)

THE JACOB "JAKE" GREGG MEMORIAL MBI ENDOWMENT

2. Granting agency/donor/other/funding source: (attach support information)

Memorial contributions from various friends and family of Jacob Gregg

3. Purpose of activity:

To provide annual award(s) to a Music Business and Industry (MBI) student(s) to help defray the costs of participating in the program. Ideally the award is given to a student in financial need who can no longer afford to continue their degree. If no students fit this criteria the award will go to the MBI student with urgent need including funding for music purchase or an instrument. Recipients will be chosen at the discretion of the MBI department chair after discussing with the MBI faculty.

4. a. Proper accounting fund: b. Why was this fund selected?

General
 Designated
 Auxiliary
 Restricted
 Agency
 Loan
 Regular Endowment
 Term Endowment
 Unrestr'd Quasi-Endwmt
 Restricted Quasi-Endwmt

To provide scholarship opportunities based on above defined criteria.

5. General Ledger account number: (as proposed or assigned) **TBA**

6. a. Beginning date: **September 2015** b. Ending date: **None** c. Duration: **In Perpetuity**

7. Reporting requirements: (format/to whom/frequency/other): **None**


8. a. Funding amount: **\$22,820** b. One-time OR Ongoing funding (indicate timeframe):

9. a. If endowment, is principal use allowed? (w/Board OK?) Yes No

b. If yes, is replenishment of principal allowed or required: Yes No

10. If investment proceeds generated, indicate intended disposition:

Fully expend for program as prescribed
 Increase principal for inflation and expend remainder
 Fully apply to increasing principal
 Other (describe)

11) President:  12) Date to Ch's Ofc:

13) Date Board Approved:

VERMONT STATE COLLEGES
BOARD OF TRUSTEES
RESOLUTION

Establishment of Endowments: Consent Agenda

- WHEREAS, Policy 412 requires Board of Trustees approval for all new endowment and quasi-endowment funds before being established and receiving investments; and
- WHEREAS, Lyndon State College has submitted the following proposals to establish new endowments and recommend them to the full Board; and
- WHEREAS, The VSC Finance & Facilities Committee has appropriately reviewed the current endowment proposals and recommends them to the full Board; therefore, be it
- RESOLVED, That the Vermont State Colleges Board of Trustees hereby establishes the following new endowments titled, in the amount, and for the specific purpose as indicated:
- a. The Joe D'Aleo Endowment for Meteorology in the amount of \$20,000 for Atmospheric Sciences students in good standing with preference given to students with financial need.
 - b. The Jacob "Jake" Gregg Memorial MBI Endowment in the amount of \$22,820 for Music Business and Industry students to help defray the costs of participating in the program.

B. ITEMS FOR INFORMATION AND DISCUSSION

1. FY2015 Year End Operating Results

At the time of this mailing the VSC external auditors are still visiting the colleges and system office as part of the FY2015 audit. We will be prepared to discuss draft yearend results at the Committee meeting.

2. Fall 2015 Enrollment Outlook

The presidents will be prepared to discuss their Fall 2015 enrollment outlook at the Committee meeting.

3. Update on Legislative Issues

The Committee will receive an update on legislative issues.

4. Rating Agency Review

Chancellor Spaulding and CFO Robbins recently conducted the annual VSC credit review with Standard & Poor's. The hour-long conference call ranged from current and future enrollment to capital plans for the colleges. S&P will prepare a report for their credit committee in the next month. No decision has been made as to our credit rating recommendation at this time.

5. Efficiency and Energy Initiatives for FY2016

There are many system office led initiatives progressing across the VSC during FY2016. We are concluding an analysis of energy efficiency and retrofitting opportunities across the campuses. We just sent out an RFP for solar net metering at VTC and CCV sites. The colleges are doing roof replacements across the system. We are currently studying what savings can be had by consolidating or becoming more efficient at functions across the system.

6. Consultant Engagement

We have received five written proposals in response to our recently issued RFP requesting the review, analysis and recommendations of the college business plans and enrollment efforts. After a firm is selected and concludes its analytical work our expectation is to receive analysis, recommendations, and advice that can be implemented at the colleges before calendar year end.

7. Committee Planning for FY2016 – Priority Topics and Areas of Interest

There will be a discussion by the Committee as to what topics should be reviewed during FY2016. Attached is a list of the standard anticipated agenda items by meeting date.

VSC Finance & Facilities Committee Anticipated Agenda Items – FY2016

September 2, 2015

- Review Preliminary FY2015 Operating Results
- Fall 2015 Enrollment Outlook

November 18, 2015

Action Items

- Review and Approve FY2017 Operating Appropriation request for VSC, AHP, WD
- Review and Approve FY2017 VSC Capital Projects
- Review and Approve FY2015 Carryover Funds

Discussion Items

- Discuss FY2017 Budget Progress
- Review FY2016 Q1 Cash Management
- Review FY2016 Q1 Financials
- Review FY2016 Q1 Endowment Performance

January 13, 2016

Action Items

- Review and Approve FY2017 Tuition & Fees (??)

Discussion Items

- Review FY2016 Q2 Financials
- Review FY2016 Q2 Endowment Performance
- Review FY2017 Budget Progress
- Review FY2016 Q2 Cash Management

April 27, 2016

Discussion Items

- Review FY2016 Q3 Financials
- Review FY2016 Q3 Endowment Performance
- Review FY2017 Budget Progress
- Review FY2016 Q3 Cash Management

June 22, 2016

Action Items

- Review & Approval of FY2017 VSC, AHP and WD Operating Budgets
- Annual Banking & Investment Resolution

Standing committee meeting items (as applicable)

- Action Item - consent for new endowments & grant proposals
- Efficiency initiatives
- Dashboards
- Review of college construction projects
- Monthly grant reports and updates
- Update on legislative issues

8. Update on Ongoing VSC Construction

VSC Energy Audits:

In early July VSC released RFPs for energy audits and retro-commissioning scoping studies for a number of buildings across the VSC system. The energy audits were awarded to LN Consulting and the retro-commissioning studies were awarded to CX Associates. Both firms are located in the Burlington area. The purpose of the audits and scoping studies is to establish a list of projects/ actions that can be implemented that would reduce operating costs and would be funded by the VSC Green Revolving Fund. The results from the audits and studies are due on October 1st, at which time the results will be reviewed, prioritized, and implemented.

CCV 660 Elm Street Window Replacement:

In mid-July we issued a request for bids to replace the existing windows in Building A at the CCV 660 Elm Street facility. We received a number of bids and the project was awarded to E F Wall & Associates of Barre. At this time the replacement windows are on order and the anticipated delivery of the windows is early September, at which time E F Wall will start the installation and be completed by mid-October.

LSC Solar:

In mid-March, Lyndon State College released an RFP to solar developers for net metering proposals. The intent of this RFP was for LSC to enter into a net metering agreement with developers to receive energy credits from a 500kw solar farm. Proposals were received on April 10th and the selection committee chose Sun Edison as their partner for this project. The Net Metering Agreement has been executed between Sun Edison and Lyndon State College. Sun Edison continues to work on securing the site for the solar farm, and they are anticipating to have site control by October 1st. They are also preparing to file for permits as soon as they have established site control. A spring construction start is anticipated for this project.

VSC Roofing Projects:

Roofs for CCV St Albans, Castleton Fine Arts, Johnson's Dibden, Stearns and SHAPE buildings have been completed. The Lyndon SHAPE roof was awarded to Rodd Roofing and is scheduled to be completed by September 1st. At Vermont Tech, AC Hathorne was awarded the Nutting Residence Hall roof project and they are expecting to be complete by August 21st. The facilities building roof was awarded to Burrell Roofing and they are anticipating to start the project in mid-September and be completed by October 1st, 2015.

VTC Solar:

In mid-September VTC also released an RFP to partner with a developer for the construction of a 500kw solar farm to be located near the Langevin House. The selection committee selected AllEarth Renewables as their partner. AllEarth Renewables has relocated the proposed solar field

due to concerns over its location adjacent to the Langevin House. A new location was identified just below the Bio-Digester and AllEarth is now in the process of refileing for permits. As a result of having to select a new location, construction will not start until next spring.

9. Review Capital Projects Report

For this month's Project Status Report, we added 22 FY16 projects, which gives us a total of 40 projects on the September 2015 project list. We completed 12 projects during the summer break leaving 28 uncompleted projects that will be brought forward to the next project status report.

September 2015 Capital Project Update									
Board Approved State Capital Projects	Preliminary Estimate	Budget	Final / Est. Cost	(Under)/ Over Budget	% Cash Dispersed	% Work Complete	Start	Finish	Notes
CSC FY 06 Glenbrook Waterline	\$ 42,196	\$ 42,196	\$ 42,196		100%	100%	7/1/08	6/30/15	
CSC FY 16 Campus Center / Leavenworth Elevator Upgrade Phase I	\$ 233,000	\$ 233,000	\$ 145,000	-38%	100%	100%	7/1/15	6/30/16	Surplus will be applied to Phase II (Leavenworth Upgrade)
CSC FY 16 Campus Flooring	\$ 37,000	\$ 37,000	\$ 37,000		80%	80%	7/1/15	6/30/16	
Castleton Totals	\$ 312,196	\$ 312,196	\$ 224,196	-28%					
JSC FY 13 Campus Electrical Efficiency Upgrades	\$ 21,250	\$ 21,250	\$ 21,250		75%	75%	7/2/12	6/30/16	
JSC FY 16 Duranleau Barn Foundation Repair	\$ 60,400	\$ 50,000	\$ 48,978		0%	85%	7/1/15	6/30/16	
JSC FY 16 McClelland Road Repair	\$ 115,000	\$ 115,000	\$ 115,000		100%	100%	7/1/15	6/30/16	
JSC FY 16 SHAPE Pool Dehumidification Equipment Replacement	\$ 94,600	\$ 94,600	\$ 34,000	-64%	100%	100%	7/1/15	6/30/16	Surplus to be applied to theater proscenium Curtain Replacement
Johnson Totals	\$ 291,250	\$ 280,850	\$ 219,228	-22%					
LSC FY13 Campus Building Brick Repairs	\$ 50,000	\$ 50,000	\$ 50,000		85%	90%	7/2/12	6/30/16	
LSC FY 14 Walkway Replacement	\$ 70,250	\$ 70,250	\$ 70,250		90%	100%	7/1/13	6/30/16	
LSC FY 16 Campus Landscaping / ADA Access & Walkway Repairs	\$ 200,000	\$ 200,000	\$ 200,000		5%	5%	7/1/15	6/30/16	
LSC FY 16 Vail Building Repair	\$ 50,000	\$ 50,000	\$ 50,000		15%	85%	7/1/15	6/30/16	
LSC FY 16 Wheelock Parking Lot Repairs Phase I	\$ 20,000	\$ 20,000	\$ 20,000		0%	0%	7/1/15	6/30/16	
Lyndon Totals	\$ 390,250	\$ 390,250	\$ 390,250						
VTC FY 15 Exterior Painting & Building Repairs	\$ 56,000	\$ 56,000	\$ 56,000		85%	90%	7/1/14	6/30/16	
VTC FY 15 Campus Flooring Replacement	\$ 109,000	\$ 109,000	\$ 109,000		100%	100%	7/1/14	6/30/15	
VTC FY 15 Barn Roof Replacement	\$ 80,000	\$ 80,000	\$ 80,000		10%	10%	7/1/14	6/30/16	
VTC FY 15 Energy Management System Upgrades	\$ 25,250	\$ 25,250	\$ 25,250		0%	0%	7/1/14	6/30/16	
VTC FY 16 Green Hall Flooring Replacement	\$ 95,000	\$ 95,000	\$ 95,000		0%	0%	7/1/15	6/30/16	
VTC FY 16 Site Lighting Upgrades	\$ 79,000	\$ 79,000	\$ 79,000		10%	10%	7/1/15	6/30/16	
VTC FY 16 Campus Pavement Repairs	\$ 75,000	\$ 75,000	\$ 75,000		85%	95%	7/1/15	6/30/16	
VTC FY 16 Green Hall Elevator Upgrades Phase I	\$ 21,000	\$ 21,000	\$ 21,000		0%	0%	7/1/15	6/30/16	
VTC FY 16 Morrill Lab Upgrades	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000		60%	90%	7/1/15	9/1/15	
VTC Totals	\$ 1,540,250	\$ 1,540,250	\$ 1,540,250						
CCV FY 14 Facility Improvements	\$ 75,000	\$ 75,000	\$ 75,000		100%	100%	7/1/13	6/30/15	
CCV FY 15 Facility Improvements	\$ 75,000	\$ 75,000	\$ 75,000		25%	25%	7/1/14	6/30/16	
CCV FY 16 Facility Improvements	\$ 75,000	\$ 75,000	\$ 75,000		0%	0%	7/1/15	6/30/16	
CCV Totals	\$ 225,000	\$ 225,000	\$ 225,000						

* Green Indicates project completed and will be removed from next report.

Board Approved VSC Dorm/Dining Projects	Preliminary Estimate	Budget	Final / Est. Cost	(Under)/ Over Budget	% Cash Dispersed	% Work Complete	Start	Finish	Notes
CSC FY 16 Adams Heat Rezoning Project	\$ 250,000	\$ 250,000	\$ 215,000	-14%	100%	100%	7/1/15	6/30/16	Surplus will be applied to Haskell Heat Rezoning
Casleton Totals	\$ 250,000	\$ 250,000	\$ 215,000	-14%					
JSC FY 15 Governors / Senators Electrical Upgrades Phase I	\$ 132,000	\$ 132,000	\$ 132,000		100%	100%	7/1/14	6/30/15	
JSC FY 16 Governors / Senators Electrical Upgrades Phase II	\$ 220,000	\$ 220,000	\$ 220,000		90%	95%	7/1/15	6/30/16	
JSC FY 16 Senators Dorm Safety Project Phase I	\$ 30,000	\$ 30,000	\$ 30,000		85%	90%	7/1/15	6/30/16	
Johnson Totals	\$ 382,000	\$ 382,000	\$ 382,000						
LSC FY 15 Wheelock Restroom Renovations	\$ 160,000	\$ 160,000	\$ 155,000	-3%	100%	100%	7/1/14	6/30/15	
LSC FY 15 Dining Services Equipment Replacement	\$ 90,000	\$ 90,000	\$ 90,000		33%	80%	7/1/14	6/30/16	
LSC FY 16 Poland Restroom Renovations	\$ 210,000	\$ 210,000	\$ 195,000	-7%	100%	100%	7/1/15	6/30/16	
LSC FY 16 Stevens Roof Replacement Phase I	\$ 40,000	\$ 40,000	\$ 40,000		0%	5%	7/1/15	6/30/16	
Lyndon Totals	\$ 500,000	\$ 500,000	\$ 480,000	-4%					
VTC FY 15 Morey / Nutting Lighting Upgrades	\$ 27,000	\$ 27,000	\$ 27,000		10%	15%	7/1/14	6/30/16	
VTC FY 15 Old Dorm Shower Repairs and Upgrades	\$ 55,000	\$ 55,000	\$ 55,000		0%	0%	7/1/14	6/30/16	
VTC FY 15 44 Water St. Fire Alarm Replacement	\$ 21,000	\$ 21,000	\$ 21,000		0%	5%	7/1/14	6/30/16	
VTC FY 16 Morey Flooring Upgrades	\$ 45,000	\$ 45,000	\$ 45,000		100%	100%	7/1/15	6/30/16	
VTC FY 16 Nutting Roof Replacement	\$ 145,000	\$ 145,000	\$ 84,350	-42%	100%	100%	7/1/15	6/30/16	Surplus applied to Facilities Roof Replacement
VTC FY 16 Nutting Lobby Window Replacement	\$ 60,000	\$ 60,000	\$ 60,000		0%	0%	7/1/15	6/30/16	
VTC Totals	\$ 353,000	\$ 353,000	\$ 292,350	-17%					
* Green Indicates project completed and will be removed from next report.									
OC Approved Self Financed	Preliminary Estimate	Budget	Final / Est. Cost	(Under)/ Over Budget	% Cash Dispersed	% Work Complete	Start	Finish	Notes
JSC Babcock Preserve	\$ 5,000	\$ 5,000	\$ 5,000		0%	0%	7/2/12	6/30/16	
OC Approved Green Revolving Fund	Preliminary Estimate	Budget	Final / Est. Cost	(Under)/ Over Budget	% Cash Dispersed	% Work Complete	Start	Finish	Notes
VTC Bio-digester Heat Recovery Phases I & II	\$ 225,000	\$ 335,000	\$ 335,000		33%	33%	12/2/13	6/30/16	Funding Sources: \$225,000 GRF, \$25,000 Clean Energy Fund, \$85,000 Efficiency Vt. Incentive Phase I Completed. Phase II Designed, Construction Documents Completed and ready to be released for bidding.
* Green Indicates project completed and will be removed from next report.									

C. ITEMS FOR INFORMATION ONLY

1. Monthly Grant Activity Report

Current: A total of 49, of which 15 are new.

Pending: A total of 28, of which 13 are new.

Denied: A total of 2, of which 2 are new.

Total: 79 grants

A = Action Item (Grants over \$150,000 need Board Approval)
N = New Grants This Period
U = Updated (Awarded/Denied or Withdrawn)
E = Extended

Item	College	Grant Title (Project Director)	Status	CFDA #	Granting Agency (Fed,State,Other)	Funding Agency/Grant Period	Brief Description	Amount Requested	VSC Match	Amount Awarded	Reported to Board
	CCV	TRIO Student Support Services Program (Jen Garrett-Ostermiller)	Awarded	84.042A	Federal	US Dept of Education (9/1/10 - 8/31/15)	Program to serve students who are first generation, low income and/or have a disability. The objects are persistence, graduation and transfer, and financial literacy education. (1st yr: \$357K; 2nd & 3rd yr: \$346K; 4th yr: \$328K; 5th yr: \$346K)	\$ 1,754,827		\$ 1,721,644	Mar-11
N,U	CCV	Northern Lights Career Development Center (NLCDC) (Nancy Sugarman)	Awarded	93.596 & 93.575	Federal	State of Vermont, DHHD / Administration for Children and Families (7/1/15 - 6/30/16)	To enhance child care opportunities and sustain and improve the quality of programs for Vermont children.	\$342,994		\$342,994	
	CCV	Trade Adjustment Assistance Community College and Career Training Grants Program (Penne Lynch)	Awarded	17.282	Federal	Employment and Training Administration (10/1/14 - 9/30/18)	Improve retention and achievement rates to reduce time to completion (1st yr: \$936K; 2nd yr: \$699K; 3rd yr: \$765K; 4th yr: \$100K)	\$2,500,000		\$2,394,110	Sep-14
	CCV	Vermont State GEAR UP (Heather Weinstein)	Awarded	84.334	Federal	Vermont Student Assistance Corporation (8/1/14 - 8/31/15)	Embed peer mentors into the Dimensions First Initiative	\$24,733	\$25,000	\$25,000	
U	CCV	TRIO Student Support Services (SSS) Program (Jennifer Garrett-Ostermiller)	Awarded	84.042A	Federal	Department of Education (9/1/15 - 8/31/20)	To serve disadvantaged students (first-generation, low-income, and/or individuals with a disability), annually, with objectives to increase persistence, good academic standing, graduation, and transfer to a four-year institution. ((\$346K/yr for 5 yrs)	\$1,728,665		\$1,728,665	
U	CCV	IDEA Networks of Biomedical Research Excellence (INBRE) (Darlene Murphy)	Awarded	93.859	Federal	Vermont Genetics Network / Dept of Health and Human Services (6/1/15 - 6/30/20)	Enhance STEM curriculum with lab supplies. NOTE: VGN to provide approximately \$65K in lab supplies to CCV, non-cash award.	\$65,000 non-cash		70059.47 non-cash	
	CSC	TRIO Student Support Services Program (Kelly Beckwith)	Awarded		Federal	US Dept of Education (9/1/10 - 8/31/15)	To increase college retention and graduation rates of first-generation and low-income students and students with disabilities. (5 yr - \$301,694 1st yr + 3-5% annual incr/yr thereafter)	\$1,508,470	\$ 611,750	\$ 301,694 1st yr funding	Jan-10
	CSC	CSC Woodruff Energy Efficiency Renovations (Chuck Lavoie)	Awarded	81.041	Federal (pass through)	Vermont Clean Energy Development Fund (2 yrs from date of award)	To remove and replace 90 windows and improve insulation deficiencies in Woodruff Hall.	\$143,271	\$132,658	\$137,964	
	CSC	2013 Division III Strategic Alliance Matching Grant (Deanna Tyson)	Awarded		Other	National Collegiate Athletic Association (9/1/13 - 8/31/16)	To hire full-time female/minority administrator in athletics (1st yr: \$50K; 2nd yr: \$34K; 3rd yr: \$18K)	\$101,904	\$101,323	\$101,904	Feb-13
	CSC	North East Water Resources Network (Andrew Vermilyea, Ph.D.)	Awarded		Other	National Science Foundation - EPSCoR subaward (9/1/13 - 8/31/16)	To study changes to the Lake Champlain watershed brought about in part by the increasing number of severe storms that have been hitting the region in recent years. (1st yr: \$8K; 2nd yr: \$15K; 3rd yr: \$16K)	\$38,857		\$38,857	
	CSC	RUI: Collaborative Research: Proterozoic Mountain Building and Collapse, Eastern Adirondacks, New York (Timothy Grover)	Awarded		Other	National Science Foundation (7/1/14 - 6/30/16)	Understand; i) nature of the crust during these various orogenic processes, ii) the effects of Shawingian granulite facies metamorphism and anatexis relative to Ottawan granulite facies metamorphism and anatexis, and iii) how the crust evolved through time as the Grenville orogeny was constructed.	\$66,419		\$59,713	
U	CSC	Intergrative Learning Initiative (Ingrid Johnston-Robledo, PhD)	Awarded		Other	Davis Educational Foundation (Jun 2015 - August 2018) (May 1-Sept 1,2015)	Develop interdisciplinary curriculum and programming. (1st yr: \$87K; 2nd yr: \$109K; 3rd yr: \$87K)	\$283,528	\$4,000	\$10,000	
U	CSC	Castleton Entrepreneurial Collaborative (Lyle Jepson)	Awarded		Other	Vermont Community Foundation (7/1/15 - 6/30/16)	Seed money to establish Castleton Entrepreneurial Collaborative	\$20,000		\$20,000	
N,U	CSC	Tutor.com Online Tutoring Services (Jennifer Jones)	Awarded		Other	Vermont Community Foundation - Hills and Hollows Fund (7/1/15 - 6/30/16)	Provide access to online tutors for students in Upward Bound Program.	\$3,000		\$3,000	
N,U	CSC	Campuses for Environmental Stewardship (Ingrid Johnston-Robledo)	Awarded		Other	Davis Foundation / Campus Compact (9/1/15 - 6/30/16)	Support development of four (4) separate service learning courses focused on environmental stewardship	\$4,000	\$1,000	\$4,000	
U	CSC	TRIO-Student Support Services (Kelley Beckwith)	Awarded	84.042	Federal	US Dept of Education - Office of Postsecondary Education (7/1/15 - 6/30/16)	To fund student support services.	\$292,341	\$134,486	\$292,341	
	JSC	Student Support Services (Dr. Karen Madden)	Awarded	84.042A	Federal	U. S. Dept. of Education (9/05 - 8/09); (Renewed 9/1/10 - 8/31/15)	To increase the retention and graduation rates of JSC students who are low income, first generation students and students with disabilities who clearly demonstrate academic need. (1st of 5 yrs: \$406,072)	\$ 406,702		\$ 406,702	Oct-10
	JSC	Mammals on the Move: Managing Cascadia Wildlife in the Face of Climate Change (Kevin Johnston)	Awarded Renewed	15.222	Federal	US Department of the Interior / Bureau of Land Management (12/10/10 - 8/3/15)	The core objective of this research is to inform and improve management by describing a range of potential outcomes and identifying high-priority species and habitats.	\$25,000		\$25,000	
	JSC	Adaptation to Climate Change in the Lake Champlain Basin	Awarded	47.076	Federal	Vermont EPSCoR	Research the climate change in the Lake Champlain Basin	\$834,022		\$834,022	Oct-11

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		(Dr. Robert Genter)			Pass-through	(9/1/11 - 6/30/16)	(1st yr: \$186K; 2nd yr: \$156K; 3rd yr: \$160K; 4th yr: \$164K; 5th yr: \$168K)				
JSC		Student Transition, Achievement, Retention and Teaching (Leslie Kanat)	Awarded	47.076	Federal	National Science Foundation (Aug 2012 - Jun 2017)	Students, faculty, support staff, and the administration will work together to prepare students for graduate school and future employment by providing realistic, relevant and challenging learning opportunities. Scholarships will be provided to 17 students who major in the Dept. of Environmental and Healthy Sciences. (1st yr: \$97K; 2nd yr: \$131K; 3rd yr: \$159K; 4th yr: \$133K; 5th yr: \$74K)	\$594,637		\$594,637	Oct-11
JSC		Social Referencing and the Influence of Parental Affect on NonAmbulatory Infants (Gina Mireault, Ph.D.)	Awarded	47.074	Federal	National Institutes of Health (National Institute of Child Health & Human Development) (1/1/13 - 12/31/15)	Investigation of social referencing and parental affect on infant behavior, affect & physiology in the first 6 months of life. (1st yr: \$107K; 2nd yr: \$69K; 3rd yr: \$74K)	\$250,000		\$250,000	Apr-12
JSC		Mammals on the Move: Managing Cascadia Wildlife in the Face of Climate Change Kevin Johnson	Awarded	15.222	Federal	US Dept of the Interior / Bureau of Land Management (7/1/12 - 8/31/15)	To inform and improve management by describing a range of potential outcomes and identifying high-priority species and habitats.	\$ 10,510	\$ -	\$ 10,510	
JSC		Project Green's JSC High School Greening Summit Project (Russ Weis)	Awarded		Other	Canaday Family Charitable Trust (9/1/13 - 8/31/16)	To secure additional funding for the sixth, seventh, & eighth JSC H.S. Greening Summits (25K/year)	\$ 75,000		\$ 75,000	
JSC		AlcoholEdu/Haven Grant (Michele Whitmore)	Awarded		Other	Lamoille Family Center/Partnership for Success Grant (Sept 2013 - Aug 2016)	To implement the on-line educational course AlcoholEdu and Haven to our first year and transfer students as a proactive approach in addressing alcohol use and unhealthy relationships in college. \$11K/yr for 3 yrs	\$33,000	\$14,000	\$33,000	
JSC		Mammals on the Move: Managing Cascadia Wildlife in the Face of Climate Change - Phase 4 (Dr. Kevin Johnston)	Awarded	15.222	Federal	US Dept of the Interior / Bureau of Land Management (6/1/14 - 8/31/15)	Core objective of this research is to inform and improve management by describing a range of potential outcomes and identifying high-priority species and habitats. In phase 4, we will run several different climate models and examine where they agree and disagree.	\$20,000		\$20,000	
U	JSC	Comparing Behavioral Strategies for Reducing Stress in Adults (Amy Welch, PhD)	Awarded		Other	Vermont Genetics Network (6/1/15 - 5/31/16)	To compare the effectiveness of biofeedback to exercise in highly-stressed adults, plus conduct pilot testing on a cognitive behavioral therapy intervention.	\$74,459			
U	JSC	TRIO Student Support Services (Karen Madden, PhD)	Awarded	84.042A		U.S. Dept of Education (9/1/15 - 8/31/20)	To increase the graduation, good academic standing, and persistence of low income and first generation colleges students.	\$393,484	\$156,349		
LSC		TRIO_Upward Bound (84.047) ED-Grants-121911-001 (Rick Williams)	Awarded	84.047	Federal	US Department of Education (9/1/12 - 8/31/17)	To obtain funding for the Upward Bound project at LSC to serve nine target high schools in a three-county area to help students navigate the path towards success in postsecondary education. (1st yr: \$324,765)	\$1,623,825		\$324,765	May-12
LSC		TRIO Student Support Services Program (Bob McCabe)	Awarded	84.042A	Federal	US Dept of Education (9/1/10 - 8/31/15)	To increase college retention and graduation rates of first-generation and low-income students and students with disabilities. (5 yr -\$288,707 /yr)	\$1,443,535		\$ 279,757 3rd yr funding	Mar-11
LSC		Early Promise Community Outreach Coordinator (Dr. Heather Bouchey)	Awarded		Other	The Canaday Family Charitable Trust (7/31/13 - 7/31/16)	To help us implement and expand our existing Early Promise Program to increase postsecondary degree attainment in Northeast Kingdom. (50,000/yr for 3 yrs)	\$ 150,000	\$ 257,618 \$86K/yr		Dec-13
LSC		TRIO_Program_Student Support Services (Bob McCabe)	Awarded	84.042	Federal	US Department of Education (9/1/15 - 8/31/20)	Excel will serve 190 low-income, first generation and physically/learning disabled students each year through graduation from College. Services will actively engage, assist and encourage our students to take control of their educational future. (1st yr: \$324,765)	\$1,623,825		\$324,765	May-12
VTC		Applied Agriculture Institute (TAAACCT) (Jeff Higgins) (Chris Beattie)	Awarded	17.282	Federal (Pass Through)	US Department of Labor (10/1/12 - 9/30/15) (10/1/12 - 9/30/16)	Workforce development (1st yr: \$1,141K; 2nd yr: \$656K; 3rd yr: \$689K)	\$ 2,485,920	\$ -	\$ 3,357,703	Oct-12
VTC		SBDC Cooperative Agreement (Lenae Quillen-Blume)	Awarded	59.037	Federal	Small Business Administration (10/1/12 - 9/30/15)	Statewide Business Counseling and Training (625K/yr)	\$1,875,000	\$817,155	\$625,000 1st yr	Oct-12
VTC		TRIO-Student Support Services (Susan Polen)	Awarded	84.042A	Federal	U.S. Dept of Education (9/1/12 - 8/31/13) (9/1/14 - 8/31/15)	SSS Program designed to increase the number of disadvantaged low-income college students, first generation students and college students with disabilities in the U.S. who successfully complete a program of study. (1st yr: \$220K; 2nd yr: \$110K; 3rd yr: \$286K)	\$298,575	\$32,967	\$286,140	May-13
VTC		EDA Disaster Assistance (Lenae Quillen-Blume)	Awarded	11.307	Federal	Economic Development Administration (EDA), U.S. Dept of Commerce (6/1/13 - 12/31/15)	Disaster assistance	\$115,000	\$47,404	\$115,000	

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	VTC	TRIO-Student Support Services (Susan Polen)	Awarded	84.042A	Federal	US Dept of Education (9/1/13 - 8/31/14) (4th year of 5 year grant)	SSS Program designed to increase the number of disadvantaged low-income college students, first generation students and college students with a disability in the U.S. who successfully complete a program of study.	\$271,175	\$32,967	\$271,175	Oct-13
	VTC	VtSBDC Business Environmental Assistance (Peter Crawford)	Awarded	66.708	Federal	Vt. Agency of Natural Resources / Dept of Environmental Conservation (10/1/14 - 9/30/15)	To fund Vt SBDC to provide environmental assistance to VT businesses through the Vermont Business Environmental Partnership.	\$47,500		\$47,500	
	VTC	Agency of Agriculture Digester Pond Liner (Chris Dutton)	Awarded		State	State of Vermont Agency of Agriculture, Food & Markets (10/1/13 - 12/31/15)	To improve farm management - which should improve water quality - by installing a flexible membrane pond liner/sealing.	\$50,000		\$50,000	
	VTC	Capital & Infrastructure Investment Grant (Ag., Forestry, & Forest Products) (Chris Dutton)	Awarded		Other	Vermont Working Lands Enterprise Initiative (Apr 2014 - Oct 2015)	Provide funds for dairy processing plant fit-up at the VTC farm.	\$75,000	\$75,000	\$75,000	Sep-14
	VTC	FAST Grant (Linda Rossi)	Awarded	59.058	Federal	U.S. Small Business Administration, Office of Technology (9/1/13 - 9/30/15) (One yr extension to 9/30/15)	Business advising and training	\$95,000	\$70,000	\$95,000	Sep-14
	VTC	USDA Rural Business Enterprise Grant Project Proposal (Linda Rossi)	Awarded	10.769	Federal	USDA Rural Development (10/1/14 - 9/30/15)	Advising and broadband services	\$32,500	\$40,525	\$32,501	
	VTC	SBDC Cooperative Agreement (Linda Rossi)	Awarded	59.037	Federal	Small Business Administration (10/1/14 - 9/30/15)	Provide assistance to the small business community through on-on-one business advising.	\$631,250	\$649,694	\$631,250 1st yr	Apr-15
	VTC	ACCD Grant Agreement (Linda Rossi)	Awarded		State	Small Business Administration (10/1/14 - 9/30/15)	Conduct Small Business Development Centers Programs	\$352,039		\$352,039	
	VTC	Advance Manufacturing Apprenticeship grant (Maureen Hebert)	Awarded		State	State of Vermont Dept of Economic Development (1/1/15 - 12/31/15)	Will cover 50% of tuition for the Advanced Manufacturing Apprenticeship program	\$18,000		\$18,000	
	VTC	Vermont Space Grant Consortium (Dr. Carl Brandon)	Awarded	43.001	Federal	NASA (5/10/15 - 5/15/17)	Support of mentored student undergraduate research (1st yr: \$10K; 2nd yr: \$6K; 3rd yr: \$6K)	\$22,000	\$16,000	\$20,000	
N	VTC	Randolph Area Table Scrappers (RATS) (Chris Dutton)	Awarded		Other	Vermont Community Foundation (6/10/15 - 6/10/16)	Provide Randolph with residential food scrap disposal services at one convenient drop-off location in Randolph Center for delivery to the Vermont Tech anaerobic digester for the generation of electricity and conversion into bedding and crop fertilizer.	\$2,000		\$2,000	
U	VTC	VMEC - NIST GRANT - Hollings Manufacturing Extension Partnership (Bob Zider)	Awarded	11.611	Federal	US Dept of Commerce (7/1/15 - 6/30/16)	Improve manufacturing in Vermont and strengthen the global competitiveness of the state's small manufacturers. Focus on small to medium sized manufacturers; help them increase productivity, modernize processes, adopt advanced technologies, reduce costs, and stabilize the workforce. VMEC has a separate budget from the rest of the college.	\$650,000	\$1,300,000	\$650,000	May-15
N,U	VTC	Lighting Lab Research & Development Feasibility Study (Jeff Higgins)	Awarded		Other	Efficiency Vermont-Vermont Energy Investment Corporation (1/31/15 - 12/31/15)	Help students, business owners and homeowners learn how to best transition to energy efficient lighting and new technologies. The lab's mission will be to transform the lighting market, the conservation workforce and build advocacy for conservation through the promotion and education of energy efficient technologies and design options.	\$10,000		\$10,000	
N,U	VTC	McClure Foundation Grant (Jeff Higgins)	Awarded		Other	Vermont Works for Women (8/1/15 - 6/30/16)	Training and support of new Rosie's Girls Mentor Program, retreats/workshops for mentors/mentees. Develop workshop materials and coordinate/communications and implementation of the new mentor program initiatives.	\$18,000		\$18,000	
	SOS	GEAR-UP Dual Enrollment Subaward (VSAC) (Joyce Judy)	Awarded	84.334	Federal	VSAC (9/30/14 - 8/31/15)	To support existing Partnership agreement for the dual enrollment program and Intro to College Studies.	\$350,000	\$400,000		Sep-14
	SOS	Dual Enrollment Program Management (Contract) (Natalie Searle)	Awarded		State	Vt. Agency of Education (7/1/14 - 6/30/15)	To provide overall administration of dual enrollment program	\$140,000		\$140,000	
N,U	SOS	Lumina State Strategy Development	Awarded		Other	Tides Center / Lumina Foundation	To support the state's participation in the Lumina Foundation Strategy Labs Policy Academy	\$50,000		\$50,000	

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		(Yasmine Ziesler)				(7/1/15 - 6/30/16)					

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N	CCV	Consolidated Perkins Postsecondary and Tech Prep (Debby Stewart)	State of Vermont, Agency of Education (7/1/15 - 6/30/16)	Improving vocational and technical education at the secondary and post-secondary level	\$667,426			
N	CCV	Perkins Reserve (Debby Stewart)	Vermont Department of Education (7/1/15 - 6/30/16)	Fast Forward dual enrollment model at regional career centers.	\$43,000			
N	CCV	Manufacturing Readiness Training Program (Penny Lynch)	Northern Borders Regional commission (10/1/15 - 9/30/18)	Prepare local job seekers and incumbent workers with the skills required to be hired and retained in manufacturing jobs (1st yr: \$47K; 2nd yr: \$48K; 3rd yr: \$49K)	\$144,000	\$43,200		
	CSC	Using "negative acknowledgement" to restore a rape victim's credibility in court (Kathryn Sperry)	Vermont Genetics Network (6/1/14 - 5/31/15)	Examine the efficacy of "negative acknowledgement" as a way to combat the negative impact of perceived blameworthiness for victims of sexual assault.	\$24,305			
	CSC	Castleton Student Faculty Summer Research Project (Ingrid Johnston-Robledo)	The Robert Fleming & Jane Howe Patrick Foundation, Inc (5/10/15 - 8/23/15)	Fund 4 summer undergraduate research projects (2015)	\$10,000			
	CSC	CashCourse (Rebecca Eno)	National Endowment for Financial Education (NEFE) (1/1/15 - 6/30/15)	Promote financial literacy	\$1,000			
	CSC	Howard Fishman: Basement Tapes Project (Richard Cowden)	New England Foundation for the Arts (1/19/2016 - 1/20/2016)	Introduce students to process of developing musical arrangements through improvisational techniques.	\$11,300			
	CSC	Improving causal gene prediction from GWAS (Christine Palmer)	Vermont Genetics Network (6/30/15 - 5/31/16)	VGN pilot research	\$25,000			
	CSC	Regulation of catabolite repression & the general stress response in <i>S.melioti</i> (Preston Garcia)	Vermont Genetics Network (6/1/15 - 5/31/16)	Determine how regulation of both central metabolism and the general stress response are connected.	\$75,000			
	CSC	Vermont Geographic Alliance Summer Institute (Scott Roper)	Esri ConnectED Summer 2015	Partially fund VGS Summer Institute (2015)	\$5,000			
	CSC	Tungsten Oxide Bronzes for Production of a High Energy Bio-oil (Timothy Thibodeau)	Vermont Genetics Network (6/1/15 - 5/31/16)	Understand the properties important for design of better catalysts.	\$25,000			
	CSC	Castleton Archives Digital Preservation Initiative (Karen Sanborn)	NEH (1/1/16 - 6/30/16)	Advise the CSC Archives in developing its first digital preservation plan.	\$6,000			
	CSC	Effects of Photochemical Degradation of DOM on Carben Nutrient Concentration and Bioavailability in the Lake Champlain Basin (Andrew Vermilyea, Ph.D.)	EPSCor-uvvm (6/1/15 - 3/31/16)	The objective of this project is to understand how important sunlight initiated reactions are to changing dissolved carbon nutrient concentrations and availability to microorganisms in the Lake Champlain Basin.	\$15,402			
	CSC	Castleton State College Virtual Hospital (Marie McDuff)	Gladys Brooks Foundation (7/1/14 - 6/30/16)	Purchase a high fidelity simulation manikin for the Virtual Hospital located in the Nursing Department.	\$97,494			
N	JSC	Infants Differentiation of Physical and Social Incongruities (Gina Mireault, Ph.D.)	National Institutes of Health (National Institute of Child Health & Human Development) (9/1/15 - 8/31/18)	Investigation of the role of social context on infant cognition using behavioral, affective & physiological measures from 4 to 7 months (1st yr: \$111K; 2nd yr: \$112K; 3rd yr: \$77K)	\$299,997			
N	JSC	Student Success in the First Year and Beyond (Dan Regan)	U.S. Department of Education, Office of Postsecondary Education: Strengthening Institutions Program (10/1/2015 - 9/30/2020)	Transforming the curriculum and academic support systems for freshmen, sophomores, juniors, transfers, and near-completers; also, endowment growth (1st yr: \$448K; 2nd yr: \$440K; 3rd yr: \$449K; 4th yr: \$445K; 5th yr: \$437K)	\$2,217,714	\$500,000		Sep-15

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	LSC	Lyndon Promise Scholarship Challenge Grant (Bob Whittaker)	LSC Foundation FY2010 - FY2013	This challenge grant will provide an annual \$10K challenge to attract a total of \$10K in private support towards the Lyndon Promise Scholarship program. (\$10,000/yr for 4 yrs)	\$ 40,000	\$ 40,000			
	VTC	VMEC - Vermont Training Program (Bob Zider)	State of Vermont, Dept of Economic Development, Vermont Training Program (7/1/14 - 6/30/15)	Provide upgrade classroom training for employees in the following sectors: Manufacturing, Information Technology, Telecommunications, Healthcare, and Environmental	\$200,000				Sep-14
	VTC	Measuring Effectiveness of Competency Models for Professional Development (Scott Sabol)	New England Transportation Consortium (Mar 2015 - Aug 2016)	Develop competency models that can be used by New England state transportation agencies to use related to workforce needs. Pilot a proposed model with at least one state transportation agency. (1st yr: \$56K; 2nd yr: \$43K)	\$99,081				
	VTC	Northeast Delta Dental: Radiology Equipment (Ellen Grimes)	Northeast Delta Dental (Jan 2015 - Dec 2015)	To purchase new, replacement radiology equipment for the Dental Hygiene clinic.	\$15,200				
	VTC	Randolph Area Table Scrappers (RATS) (Chris Dutton)	Vermont Community Foundation (Jun 2015 - Dec 2015)	Provide Randolph with residential food scrap disposal services at one convenient drop-off location on campus at Vermont Tech in Randolph for delivery to the anaerobic digester for the generation of electricity and conversion into bedding and crop fertilizer.	\$2,500				
	VTC	VMEC - Vermont Working Lands Enterprise Initiative (Bob Zider)	State of Vermont, Agency of Agriculture, Food & Markets (6/1/15 - 7/30/16)	Provide a 2-day Innovation Engineering training session and follow-up coaching to the following sectors: Agriculture, Forestry, and Forest Products.	\$39,700				
N	VTC	USDA Rural Business Enterprise Grant Project Proposal (Linda Rossi)	ISDA Rural Development (10/1/15 - 9/30/16)	Advising and Broadband Services	\$200,000	\$30K (cash); \$20K (Inkind)			
N	VTC	USDA Rural Business Enterprise Grant Project Proposal (Linda Rossi)	ISDA Rural Development (10/1/15 - 9/30/16)	Advising and Broadband Services	\$75,000	\$18,750 (Inkind)			
N	VTC	FAST Grant (Linda Rossi)	U.S. Small Business Administration, Office of Technology (10/1/15 - 9/30/16)	Business Advising and Training	\$95,000	\$25K (match) \$22.5K (Inkind)			
N	VTC	VtSBDC Vermont Green Business Program Administration (Peter Crawford)	VTANR - Dept of Environmental Conservation (10/1/15 - 9/30/16)	To fund VtSBDC to administer the Vermont Green Business Program	\$47,500				
N	VTC	Portable Assistance Program (Linda Rossi)	Small Business Administration (10/1/15 - 9/30/16)	Advancing Southern Vermont's economy through Entrepreneurship and Innovation	\$100,000				
N	VTC	Vermont Procurement Technical Assistant Center (VTPTAC) (Linda Rossi)	Agency of Commerce and Community Development (ACCD) (7/1/15 - 6/30/16)	Administering counseling, outreach event management, and training services to Vermont businesses interested in government contracting.	\$95,962				
N	VTC	Windham County Economic Development Program (WCEDP/VY) (Linda Rossi)	State of Vermont, Agency of Commerce and Community Development (ACCD) (7/1/15 - 6/30/16)	Provide technical assistance to individuals applying for funds allocated to assist those impacted by the closure of Vermont Yankee.	\$25,000				
N	VTC	Federal and State Technology Partnership Program (FAST) (Linda Rossi)	U.S. Small Business Administration (9/30/15 - 9/29/16)	To deliver training, financial and other assistance to small technology firms	\$100,000	\$50,000			

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U	CCV	VT DOL - WET Fund Training Grant (Penne Lynch)	Denied			Vermont Department of Labor (9/1/14 - 8/31/15)	To give a strong basic career ready skill set to aspiring and underemployed Vermont workers looking to enter Manufacturing, Healthcare, Customer Service, and STEM careers.	\$108,918			
U	CSC	Supporting Excellence and building Community in the Sciences (Catherine Garland, Ph.D)	Denied			National Science Foundation (7/1/15 - 6/30/20)	Improve the recruitment, retention, student community dynamics, financial support, success and career and graduate school placement of academically talented and financially needy undergraduate students working towards Bachelor of Science degrees in biology, chemistry, environmental science and geology. (1st yr: \$89K; 2nd yr: \$123K; 3rd yr: \$113K; 4th yr: \$149K; 5th yr: \$149K)	\$621,471			Sep-14

2. VSC Q4 Endowment Report

On June 30, 2015 the value of the VSC endowment was \$23,523,325 including \$122,599 of non-managed AGI stock. This money is spread over nine investment managers with well diversified portfolios. The assets allocation is within the VSC guidelines. The table below shows the VSC returns versus the representative index:

	<u>Year-to-Date</u>	<u>Last Fiscal</u>	<u>Last 5 Years</u>	<u>Since Inception</u>
VSC returns	0.4%	0.7%	10.0%	5.6%
Index	1.8%	1.2%	9.1%	7.5%

The endowments have had total returns of \$263,999 in value since December 31, 2014. Approximately 50% of our endowment balance is comprised of investment earnings.

Morgan Stanley

Quarterly Report: June 30, 2015

Tuesday, August 04, 2015

Prepared for: VSC

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Investment Perspectives

From the Global Investment Committee



Capital Markets Overview: 2Q 2015

Introduction

As of 2Q 2015

- During the second quarter of 2015, the primary concerns among investors were the timing of Fed interest rate hikes along with economic woes in Greece, China and Puerto Rico. For the quarter, Japanese equities and diversified commodities were the top-performing asset classes, while MLPs and global REITs trailed the field. For the one-year period ended June 30, 2015, Japanese equities also were one of the strongest asset classes, in addition to US equities.
- The Dow Jones Industrial Average decreased 0.3% in the second quarter. The NASDAQ Composite Index advanced 2.1% for the quarter. The S&P 500 Index rose 0.3% for the quarter, its tenth consecutive quarterly increase.
- Five of the 10 sectors of the S&P 500 Index advanced in the second quarter. Health Care fared the best, with a 2.8% uptick. Consumer Discretionary rose 1.9% and Financials advanced 1.7%. The laggards were Utilities, which declined 5.8%, Industrials, which fell 2.2%, and Energy, which declined 1.9%.
- Morgan Stanley & Co. economists expect U.S. real GDP will be 2.5% in 2015 and 2.7% in 2016. They forecast global GDP growth to be 3.4% in 2015 and 3.9% 2016.
- Commodities were one of the top performing asset classes in the second quarter; the Bloomberg Commodity Index rose 4.7%. For the quarter, gold was down 1.1%.
- For the second quarter of 2015, global mergers and acquisitions (M&A) deal volume was \$1 trillion, compared to \$936 billion for the second quarter of 2014. Global M&A activity increased to \$3.3 trillion in 2014 from \$2.3 trillion in 2013.

Source: FactSet, Bloomberg, Morgan Stanley & Co. Research

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

GLOBAL INVESTMENT COMMITTEE | GIC CHARTBOOK

Capital Markets Overview: 2Q 2015

US Equity Markets

As of 2Q 2015

The Dow Jones Industrial Average decreased 0.3% in the second quarter. The NASDAQ Composite Index advanced 2.1% for the quarter. The S&P 500 Index rose 0.3% for the quarter, its tenth consecutive quarterly increase.

Five of the 10 sectors of the S&P 500 Index advanced in the second quarter. Health Care fared the best, with a 2.8% uptick. Consumer Discretionary rose 1.9% and Financials advanced 1.7%. The laggards were Utilities, which declined 5.8%, Industrials, which fell 2.2%, and Energy, which declined 1.9%.

Growth-style stocks of large-cap companies rose modestly during the second quarter. The large-cap Russell 1000 Growth Index advanced 0.1%. The Russell 1000 Index, a large-cap index, also rose 0.1% for the quarter.

The Russell 1000 Value Index, also a large-cap index, increased 0.1% for the quarter. The Russell Midcap Growth Index fell 1.1% for the quarter. The Russell Midcap Index decreased 1.5% for the quarter. The Russell Midcap Value Index decreased 2.0% for the quarter. The Russell 2000 Growth Index, a small-cap index, increased 2.0% for the quarter. The small-cap Russell 2000 Index rose 0.4% for the quarter. The Russell 2000 Value Index, also a small-cap index, declined 1.2% for the quarter.

Key US Stock Market Index Returns (%) for the Period Ending 6/30/2015				
INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
S&P 500	0.3%	7.4%	17.3%	9.4%
Dow Jones	-0.3%	7.2%	15.4%	9.4%
Russell 2000	0.4%	6.5%	17.1%	10.4%
Russell Midcap	-1.5%	6.6%	18.2%	10.5%
Russell 1000	0.1%	7.4%	17.6%	9.6%

Source: FactSet, Bloomberg

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

GLOBAL INVESTMENT COMMITTEE | GIC CHARTBOOK

Capital Markets Overview: 2Q 2015

Global Equity Markets

As of 2Q 2015

In the second quarter, emerging markets (EM) and global equities had positive results. The MSCI EAFE Index (a benchmark for developed markets) rose 0.8% for U.S.-currency investors and fell 1.6% for local-currency investors, as the U.S. dollar depreciated in relation to the currencies of many nations in the index. In the first quarter of 2015, the MSCI EAFE Index increased 5.0% in U.S. dollar terms and rose 11.0% in local currency terms.

For the second quarter, the MSCI Emerging Markets Index increased 0.8% for U.S.-currency investors and also rose 0.8% for local-currency investors, as the U.S. dollar maintained parity to emerging-market currencies. In the previous quarter, the MSCI Emerging Markets Index increased 2.3% for U.S.-dollar-based investors and rose 4.9% for local-currency investors.

The MSCI Europe Index increased 0.7% for U.S.-currency investors and fell 3.6% for local-currency investors during the second quarter of 2015. In the previous quarter, the MSCI Europe Index increased 3.6% for U.S.-dollar-based investors and decreased 11.7% for local-currency investors.

The S&P 500 Index rose 0.3% for the quarter, its tenth consecutive quarterly increase.

More specific emerging economy equity market indices were mixed in the second quarter. The MSCI BRIC (Brazil, Russia, India and China) Index rose 4.7% for the quarter in U.S. dollar terms and advanced 4.0% in terms of local currencies. In comparison, for the second quarter, the MSCI EM Asia Index was flat in U.S. dollar terms and rose 0.2% in local terms.

Key Global Equity Market Index Returns (%) for the Period Ending 6/30/2015				
INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
MSCI EAFE	0.8%	-3.8%	10.0%	2.4%
MSCI EAFE Growth	1.2%	-1.0%	10.5%	2.6%
MSCI EAFE Value	0.5%	-6.6%	9.5%	2.3%
MSCI Europe	0.7%	-7.2%	10.7%	2.2%
MSCI Japan	3.1%	8.6%	9.0%	2.6%
S&P 500	0.3%	7.4%	17.3%	9.4%
MSCI Emerging Markets	0.8%	-4.8%	4.0%	1.2%

Source: FactSet, Bloomberg

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GLOBAL INVESTMENT COMMITTEE | GIC CHARTBOOK

Capital Markets Overview: 2Q 2015

The US Bond Market

As of 2Q 2015

In the second quarter, bond market returns decreased—the Barclays U.S. Aggregate Bond Index, a general measure of the bond market, decreased 1.7% for the quarter. Interest rates increased during the second quarter, as the yield on the 10-Year U.S. Treasury note rose to a quarter-end 2.35% from 1.92% at the end of the first quarter of 2015.

Also in the second quarter, riskier parts of the bond market such as U.S. High Yield debt fell flat. The Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, returned 0.0%.

Investors were negative on mortgage-backed securities in the second quarter. Consequently, the Barclays Capital Mortgage Backed Index fell 0.7% for the quarter. During the second quarter, the municipal bond market also declined modestly. As a result, the Barclays Capital Muni Index decreased 0.9% for the quarter.

Key US Bond Market Index Returns (%) for the Period Ending 6/30/2015				
INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
Barclays Capital US Aggregate	-1.7%	1.9%	3.3%	4.6%
Barclays Capital High Yield	0.0%	-0.4%	8.6%	9.3%
Barclays Capital Government/Credit	-2.1%	1.7%	3.4%	4.6%
Barclays Capital Government	-1.6%	2.3%	2.7%	3.8%
Barclays Capital Intermediate Govt/Credit	-0.6%	1.7%	2.8%	3.9%
Barclays Capital Long Govt/Credit	-7.6%	1.9%	6.7%	7.9%
Barclays Capital Mortgage Backed Securities	-0.7%	2.3%	2.9%	4.5%
Barclays Capital Muni	-0.9%	3.0%	4.5%	5.1%

Source: FactSet, Bloomberg, Morgan Stanley & Co. Research

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GLOBAL INVESTMENT COMMITTEE | GIC CHARTBOOK

Asset Allocation Models & Insurance Products Disclosures

GLOBAL INVESTMENT COMMITTEE (GIC) ASSET ALLOCATION MODELS

The Asset Allocation Models are created by Morgan Stanley Wealth Management's GIC.

CLIENTS TO CONSIDER THEIR OWN INVESTMENT NEEDS

The GIC Asset Allocation Models are formulated based on general client characteristics such as investable assets and risk tolerance. This report is not intended to be a client-specific suitability analysis or recommendation, or offer to participate in any investment. Therefore, do not use this report as the sole basis for investment decisions.

Clients should consider all relevant information, including their existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. Such a suitability determination may lead to asset allocation(s) results that are materially different from the asset allocation shown in this report. Clients should talk to their Financial Advisor about what would be a suitable asset allocation for them.

HYPOTHETICAL MODEL PERFORMANCE (GROSS)

Hypothetical model performance results do not reflect the investment or performance of an actual portfolio following a GIC Strategy, but simply reflect actual historical performance of selected indices on a real-time basis over the specified period of time representing the GIC's strategic and tactical allocations as of the date of this report. The past performance shown here is simulated performance based on benchmark indices, not investment results from an actual portfolio or actual trading. There can be large differences between hypothetical and actual performance results achieved by a particular asset allocation or trading strategy. Hypothetical performance results do not represent actual trading and are generally designed with the benefit of hindsight.

Actual performance results of accounts vary due to, for example, market factors (such as liquidity) and client-specific factors (such as investment vehicle selection, timing of contributions and withdrawals, restrictions and rebalancing schedules). Clients would not necessarily have obtained the performance results shown here if they had invested in accordance with any GIC Asset Allocation Model for the periods indicated.

Despite the limitations of hypothetical performance, these hypothetical performance results allow clients and Financial Advisors to obtain a sense of the risk/return trade-off of different asset allocation constructs. The hypothetical performance results in this report are calculated using the returns of benchmark indices for the asset classes, and not the returns of securities, fund or other investment products.

Performance of indices may be more or less volatile than any investment product. The risk of loss in value of a specific investment is not the same as the risk of loss in a broad market index. Therefore, the historical returns of an index will not be the same as the historical returns of a particular investment a client selects.

Models may contain allocations to Hedge Funds, Private Equity and Private Real Estate. The benchmark indices for these asset classes are not issued on a daily basis. When calculating model performance on a day for which no benchmark index data is issued, we have assumed straight line growth between the index levels issued before and after that date.

Fees reduce the performance of actual accounts None of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, fees) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models. The GIC Asset Allocation Models and any model performance included in this presentation are intended as educational materials. Were a client to use these models in connection with investing, any investment decisions made would be subject to transaction and other costs which, when compounded over a period of years, would decrease returns. Information regarding Morgan Stanley's standard advisory fees is available in the Form ADV Part 2, which is available at www.morganstanley.com/adv. The following hypothetical illustrates the compound effect fees have on investment returns: For example, if a portfolio's annual rate of return is 15% for 5 years and the account pays 50 basis points in fees per annum, the gross cumulative five-year return would be 101.1% and the five-year return net of fees would be 96.8%. Fees and/or expenses would apply to clients who invest in investments in an account based on these asset allocations, and would reduce clients' returns. The impact of fees and/or expenses can be material.

INSURANCE PRODUCTS AND ETF DISCLOSURES

Morgan Stanley Smith Barney LLC offers **insurance products** in conjunction with its licensed insurance agency affiliates.

An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices.

Variable annuities, mutual funds and ETFs are sold by prospectus only. The prospectus contains the investment objectives, risks, fees, charges and expenses, and other information regarding the variable annuity contract and the underlying investments, or the ETF, which should be considered carefully before investing. Prospectuses for both the variable annuity contract and the underlying investments, or the ETF, are available from your Financial Advisor. Please read the prospectus carefully before you invest.

Variable annuities are long-term investments designed for retirement purposes and may be subject to market fluctuations, investment risk, and possible loss of principal. All guarantees, including optional benefits, are based on the financial strength and claims-paying ability of the issuing insurance company and do not apply to the underlying investment options.

Optional riders may not be able to be purchased in combination and are available at an additional cost. Some optional riders must be elected at time of purchase. Optional riders may be subject to specific limitations, restrictions, holding periods, costs, and expenses as specified by the insurance company in the annuity contract.

If you are investing in a **variable annuity** through a tax-advantaged retirement plan such as an IRA, you will get no additional tax advantage from the variable annuity. Under these circumstances, you should only consider buying a variable annuity because of its other features, such as lifetime income payments and death benefits protection.

Taxable distributions (and certain deemed distributions) are subject to ordinary income tax and, if taken prior to age 59½, may be subject to a 10% federal income tax penalty. Early withdrawals will reduce the death benefit and cash surrender value.

Asset Class Risk Considerations

For index definitions to the indices referenced in this report please visit the following: <http://www.morganstanleyfa.com/public/projectfiles/id.pdf>

Equity securities may fluctuate in response to news on companies, industries, market conditions and general economic environment.

Investing in foreign markets entails risks not typically associated with domestic markets, such as currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, and the potential for political instability. These risks may be magnified in countries with **emerging markets and frontier markets**, since these countries may have relatively unstable governments and less established markets and economies.

Investing in small- to medium-sized companies entails special risks, such as limited product lines, markets and financial resources, and greater volatility than securities of larger, more established companies.

The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer.

High yield bonds (bonds rated below investment grade) may have speculative characteristics and present significant risks beyond those of other securities, including greater credit risk, price volatility, and limited liquidity in the secondary market. High yield bonds should comprise only a limited portion of a balanced portfolio.

Interest on **municipal bonds** is generally exempt from federal income tax; however, some bonds may be subject to the alternative minimum tax (AMT). Typically, state tax-exemption applies if securities are issued within one's state of residence and, if applicable, local tax-exemption applies if securities are issued within one's city of residence.

Treasury Inflation Protection Securities' (TIPS) coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation.

Alternative investments may be either traditional alternative investment vehicles, such as hedge funds, fund of hedge funds, private equity, private real estate and managed futures or, non-traditional products such as mutual funds and exchange-traded funds that also seek alternative-like exposure but have significant differences from traditional alternative investments. The risks of traditional alternative investments may include: can be highly illiquid, speculative and not suitable for all investors, loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices, volatility of returns, restrictions on transferring interests in a fund, potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized, absence of information regarding valuations and pricing, complex tax structures and delays in tax reporting, less regulation and higher fees than open-end mutual funds, and risks associated with the operations, personnel and processes of the manager. Non-traditional alternative strategy products may employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. **Master Limited Partnerships (MLPs)** Individual MLPs are publicly traded partnerships that have unique risks related to their structure. These include, but are not limited to, their reliance on the capital markets to fund growth, adverse ruling on the current tax treatment of distributions (typically mostly tax deferred), and commodity volume risk. The potential tax benefits from investing in MLPs depend on their being treated as partnerships for federal income tax purposes and, if the MLP is deemed to be a corporation, then its income would be subject to federal taxation at the entity level, reducing the amount of cash available for distribution to the fund which could result in a reduction of the fund's value. MLPs carry interest rate risk and may underperform in a rising interest rate environment. **Investing in commodities** entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention. **Physical precious metals** are non-regulated products. Precious metals are speculative investments, which may experience short-term and long term price volatility. The value of precious metals investments may fluctuate and may appreciate or decline, depending on market conditions. Unlike bonds and stocks, precious metals do not make interest or dividend payments. Therefore, precious metals may not be suitable for investors who require current income. Precious metals are commodities that should be safely stored, which may impose additional costs on the investor. **REITs** investing risks are similar to those associated with direct investments in real estate: property value fluctuations, lack of liquidity, limited diversification and sensitivity to economic factors such as interest rate changes and market recessions.

Risks of **private real estate** include: illiquidity; a long-term investment horizon with a limited or nonexistent secondary market; lack of transparency; volatility (risk of loss); and leverage.

Principal is returned on a monthly basis over the life of a **mortgage-backed security**. Principal prepayment can significantly affect the monthly income stream and the maturity of any type of MBS, including standard MBS, CMOs and Lottery Bonds.

Asset-backed securities generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments.

Floating-rate securities The initial interest rate on a floating-rate security may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating security's underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk.

Asset Class Risk Considerations (cont'd)

Yields are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision.

Credit ratings are subject to change.

Companies paying **dividends** can reduce or cut payouts at any time.

Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets.

The **indices** are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only and do not represent the performance of any specific investment.

The **indices selected by Morgan Stanley Wealth Management** to measure performance are representative of broad asset classes. Morgan Stanley Wealth Management retains the right to change representative indices at any time.

Because of their narrow focus, **sector investments** tend to be more volatile than investments that diversify across many sectors and companies.

Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations.

Value investing does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected.

Rebalancing does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy. Investors should consult with their tax advisor before implementing such a strategy.

Duration, the most commonly used measure of bond risk, quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates.

Besides the general risk of holding securities that may decline in value, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance, and potential leverage. Some funds also invest in foreign securities, which may involve currency risk.

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The securities/instruments discussed in this material may not be suitable for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Morgan Stanley Wealth Management recommends that investors independently evaluate specific investments and strategies, and encourages investors to seek the advice of a financial advisor.

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VERMONT STATE COLLEGES
PORTFOLIO SUMMARY - ASSET ALLOCATION
JUNE 30, 2015

	Large Cap Growth	Large Cap Value	Small / Mid Growth	Small / Mid Value	International	International Emerging	Domestic and High Yield Fixed	International Fixed	Alternatives	Cash	Total	% of Total Portfolio
CG Advisor												
I shares Russell 1000 Growth	\$ 2,554,953										\$ 2,554,953	10.9%
I shares Russell 1000 Value		\$ 3,128,540									\$ 3,128,540	13.4%
I shares Trust S&P Mid Cap 400			\$ 28,137								\$ 28,137	0.1%
iShares Russell 2000 ETF			\$ 190,973	\$ 190,973							\$ 381,947	1.6%
William Blair Int Growth					\$ 1,458,159						\$ 1,458,159	6.2%
Oppenheimer Developing Mkts						\$ 583,106					\$ 583,106	2.5%
Dreyfus Standish GLB Fix Inc I								\$ 748,830			\$ 748,830	3.2%
Loomis Bond Fund							\$ 1,140,991				\$ 1,140,991	4.9%
Ishares Dj US Real Estate									\$ 325,841		\$ 325,841	1.4%
Vanguard REIT ETF									\$ 335,507		\$ 335,507	1.4%
Vanguard Sh Tm Inv Gr Inv							\$ 1,071,841				\$ 1,071,841	4.6%
Vanguard Total Bd Mkt Indx Inv							\$ 2,224,895				\$ 2,224,895	9.5%
Lazard Emerging Markets						\$ 578,967					\$ 578,967	2.5%
Money Funds										\$ 84,598	\$ 84,598	0.4%
Ironwood HF									\$ 514,263		\$ 514,263	2.2%
Skybridge HF									\$ 520,223		\$ 520,223	2.2%
Anchor				\$ 716,348							\$ 716,348	3.1%
Delaware					\$ 1,197,172						\$ 1,197,172	5.1%
Clearbridge	\$ 2,275,237	\$ -	\$ -	\$ -	\$ -						\$ 2,275,237	9.7%
Seix							\$ 1,417,720				\$ 1,417,720	6.1%
Thomas Partners	\$ 521,261	\$ 1,065,643	\$ 128,213	\$ 90,380	\$ 296,362						\$ 2,101,859	9.0%
Total Fund	\$ 5,351,451	\$ 4,194,182	\$ 347,324	\$ 997,701	\$ 2,951,693	\$ 1,162,073	\$ 5,855,448	\$ 748,830	\$ 1,695,835	\$ 84,598	\$ 23,389,135	100.00%
Allocation	22.88%	17.93%	1.48%	4.27%	12.62%	4.97%	25.03%	3.20%	7.25%	0.36%	100.00%	
Strategic Target Allocation a/o 6.30.11												
By Percent	12.00%	12.00%	6.00%	6.00%	17.00%	7.00%	28.00%	4.00%	8.00%	0.00%	100.00%	
By Dollar	\$ 2,806,696	\$ 2,806,696	\$ 1,403,348	\$ 1,403,348	\$ 3,976,153	\$ 1,637,239	\$ 6,548,958	\$ 935,565	\$ 1,871,131	\$ -	\$ 23,389,135	
Current Tactical Allocation	18%	18%	4%	4%	12%	4%	28%	4%	8%	0%	100%	

Operations Account \$ 109,696.68 \$ 12,902.92 (money funds) \$ 122,600

Total All Accounts \$ 23,511,735

Basic Asset Allocation:
Stocks 64%
Alternatives 7%
Fixed Income/Cash 29%

The above summary/prices/quote/statistics have been obtained from sources we believe to be reliable, but we cannot guarantee its accuracy or completeness. Past performance is no guarantee of future results. The information provided in this summary is for illustrative purposes only and does not represent an official statement by the firm. You must refer to your monthly statements for an accurate and complete record of your transactions, holdings & balances. Best efforts have been made to reflect the true values of the figures, but we can not guarantee the accuracy or completeness due to the element of human error. This is not a binding or legal document. This information is based upon the market value of your account as of the close of business on 6.30.15 and is subject to daily market fluctuation. Morgan Stanley Smith Barney, LLC.
Member SIPC. Prepared by: John O. Myhre, Vice President, Financial Advisor

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Portfolio Review

Managed Endowment

Information as of June 30, 2015
Prepared on July 30, 2015

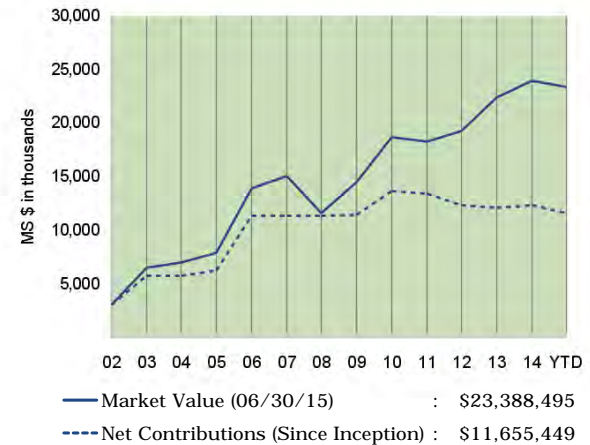
Investment Summary	2
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Morgan Stanley

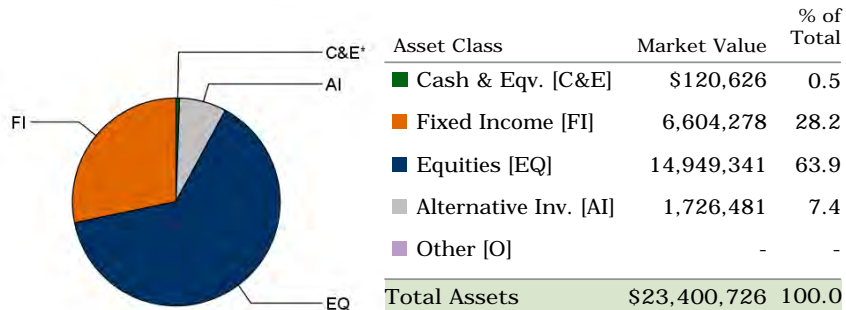
Investment Summary prepared for Managed Endowment as of 06/30/15

Asset Growth and Portfolio Returns¹

	Year-to-Date 12/31/14 to 06/30/15	Last-12-Month 06/30/14 to 06/30/15	Last-5-Years 06/30/10 to 06/30/15	For the Period 12/26/02 to 06/30/15
Beginning Value	\$24,005,737	\$23,384,408	\$14,572,712	\$3,085,318
Net Contributions	(711,792)	(155,717)	(360,961)	8,570,131
Ending Value	23,388,495	23,388,495	23,388,495	23,388,495
Total Returns	\$94,549	\$159,804	\$9,176,744	\$11,733,045
Dollar Weighted Rate of Return (IRR)			Annualized	Annualized
Total Net Returns (%)	0.4	0.7	9.8	6.4
65% MSCI AC WORLD NET / 35%	1.8	1.2	9.1	7.5



Asset Allocation



*Available Cash is \$354,526 or 1.52%.

¹ The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.

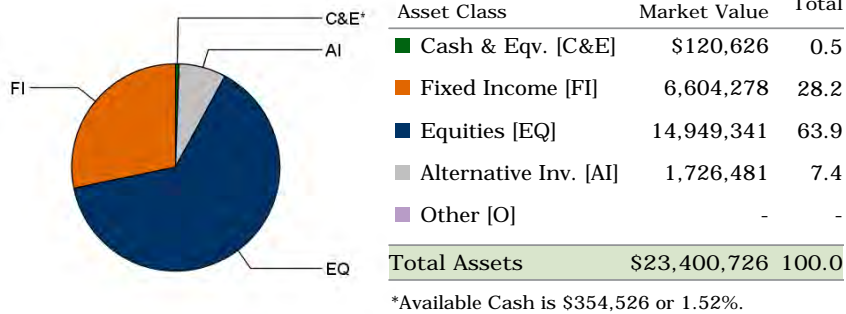
Income Summary

	Year-to-Date 01/01/15 06/30/15	Estimated	
		Year 2015 01/01/15 12/31/15	Next 12 Months 08/01/15 07/31/16
Taxable	205,917	534,502	510,490
Non Taxable	-	-	-
Tax Deferred	-	-	-
Morgan Stanley Total Income	205,917	534,502	510,490

If external holdings were provided, they have been included in this report in order to provide you with a more complete picture of your financial holdings. Please note: Morgan Stanley Smith Barney LLC is not responsible for information (including valuations) from external sources. Please contact your financial advisor to update your information.

Composite Allocation prepared for Managed Endowment as of 06/30/15

Asset Allocation



Style Analysis

Fixed Income (% of Asset Class)

Domestic

Short	Intern.	Long	
0.0	0.0	0.0	High Quality
1.8	0.9	0.0	Medium Quality
17.4	0.2	0.2	Low Quality

International N/A

7.4	72.1
-----	------

Equity (% of Asset Class)

Domestic

Value	Core	Growth	
25.8	4.1	33.6	Large Size
5.6	0.6	0.2	Medium Size
0.0	2.6	0.0	Small Size

International Other

Core	Emerg.	Other
19.7	7.8	0.0

Asset Allocation Detail

Account No.	Account	Cash Equivalents ¹	Fixed Income	Equities	Alternative Investments	Other	Total Account Value
Household Total		\$120,626 0.5%	\$6,604,278 28.2%	\$14,949,341 63.9%	\$1,726,481 7.4%	-	\$23,400,726 100.0%

Managed Endowment

383-108872	VERMONT STATE COLLEGES	84,598	5,186,557	8,713,809	664,771	-	14,649,736
	Consulting Group Advisor	0.6%	35.4%	59.5%	4.5%	-	100.0%
	Consulting Group Advisor						
383-108874	VERMONT STATE COLLEGES	-	-	1,199,476	-	-	1,199,476
	Delaware Investments - Internationa	-	-	100.0%	-	-	100.0%
	Fiduciary Services						

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¹ May include fixed income due within a year.

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Composite Allocation prepared for Managed Endowment as of 06/30/15

Asset Allocation Detail *continued from previous page*

Account No.	Account	Cash Equivalents ¹	Fixed Income	Equities	Alternative Investments	Other	Total Account Value
383-108918	VERMONT STATE COLLEGES	-	-	717,415	-	-	717,415
	Anchor Capital - Mid Cap Value	-	-	100.0%	-	-	100.0%
	Fiduciary Services						
383-108920	VERMONT STATE COLLEGES	-	-	-	-	-	-
	AAA	-	-	-	-	-	100.0%
383-110533	VERMONT STATE COLLEGES	-	-	2,276,756	-	-	2,276,756
	ClearBridge - Multi Cap Growth	-	-	100.0%	-	-	100.0%
	Fiduciary Services						
383-110534	VERMONT STATE COLLEGES	-	1,417,720	-	-	-	1,417,720
	Seix Advisors - High Yield Bond	-	100.0%	-	-	-	100.0%
	Fiduciary Services						
383-122584	VERMONT STATE COLLEGES	36,021	-	2,041,884	27,230	-	2,105,135
	ThomasPartners	1.7%	-	97.0%	1.3%	-	100.0%
	Investment Management Services						
383-020919	VERMONT STATE COLLEGES	4	-	-	520,220	-	520,223
	Skybridge Multi Advisor Hedge Serie	-	-	-	100.0%	-	100.0%
	Alternative Investments Advisory						
383-020918	VERMONT STATE COLLEGES	4	-	-	514,259	-	514,263
	Ironwood Inst MS fund	-	-	-	100.0%	-	100.0%
	Alternative Investments Advisory						
Portfolio Total		\$120,626	\$6,604,278	\$14,949,341	\$1,726,481	-	\$23,400,726
		0.5%	28.2%	63.9%	7.4%	-	100.0%
Household Total		\$120,626	\$6,604,278	\$14,949,341	\$1,726,481	-	\$23,400,726
		0.5%	28.2%	63.9%	7.4%	-	100.0%

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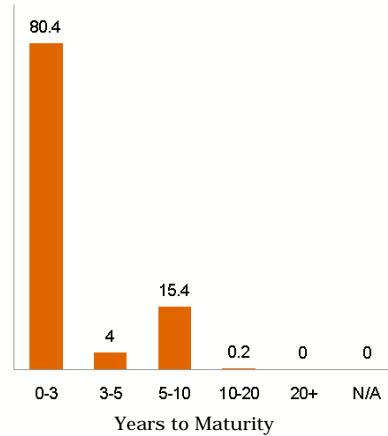
¹ May include fixed income due within a year.

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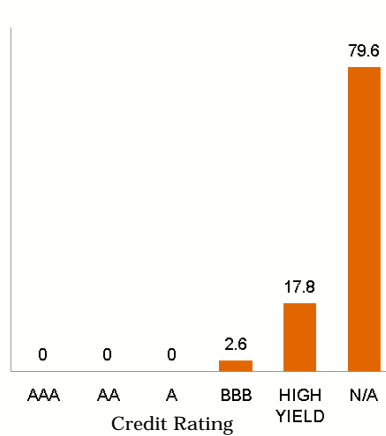
Composite Analysis prepared for Managed Endowment as of 06/30/15

Fixed Income

Maturity Schedule (%)



Credit Rating (%)



Fixed Income

Top Holdings

Security Name	Market Value	% of Fixed
VANGUARD TOTAL BD MKT INDX INV	\$2,224,895	33.7
LOOMIS SAYLES BOND INST	1,140,991	17.3
VANGUARD SH TM INVT GR INV	1,071,841	16.2
DREYFUS STANDISH GLB FIX INC I	748,830	11.3
POST HOLDINGS INC	38,671	0.6
CATAMARAN CORP	30,277	0.5
DISH DBS CORPORATION	29,201	0.4
HCA INC	28,898	0.4
CBRE SERVICES INC	28,688	0.4
NRG ENERGY, INC.	28,332	0.4
Total Fixed Income Top Holdings	5,370,624	81.3
Total Fixed Income	6,604,278	100.0

Equities

Sector Allocation

Sector	Market Value	% of Equities
Consumer Discretionary	897,305	6.1
Consumer Staples	466,304	3.2
Energy	482,567	3.3
Financials	555,434	3.8
Health Care	1,191,204	8.1
Industrials	664,455	4.5
Information Technology	948,258	6.5
Materials	203,872	1.4
Telecommunication Services	318,034	2.2
Utilities	194,957	1.3
Others	8,713,809	59.5
Total	14,636,200	100.0

Top Holdings

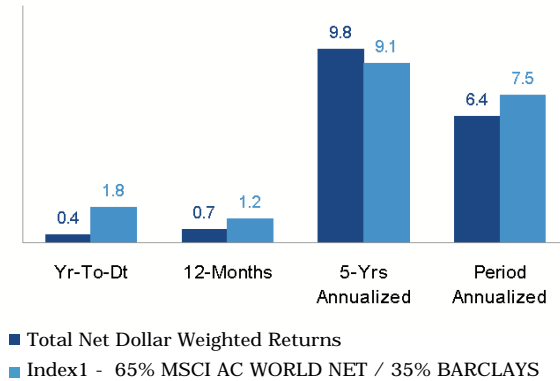
Security Name	Market Value	% of Equities
ISHARES RUSSELL 1000 VALUE ETF	\$3,128,540	20.9
ISHARES RUSSELL 1000 GRW ETF	2,554,953	17.1
WILLIAM BLAIR INTL GROWTH I	1,458,159	9.8
OPPENHEIMER DEVELOPING MKTS Y	583,106	3.9
LAZARD EMERGING MKTS EQ I	578,967	3.9
ISHARES RUSSELL 2000 ETF	381,947	2.6
COMCAST CORP CL A SPECIAL NEW	202,961	1.4
UNITEDHEALTH GP INC	201,178	1.3
ALLERGAN PLC SHS	195,125	1.3
BIOGEN INC COM	115,527	0.8
Total Equities Top Holdings	9,400,462	62.9
Total Equities	14,949,341	100.0

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Morgan Stanley Composite Performance prepared for Managed Endowment as of 06/30/15

Portfolio Returns (%) ¹
Morgan Stanley Accounts Only

	Year-to-Date 12/31/14 to 06/30/15	Last-12-Month 06/30/14 to 06/30/15	Annualized Last-5-Years 06/30/10 to 06/30/15	Annualized For the Period 12/26/02 to 06/30/15
Total Net Dollar Weighted Returns	0.4	0.7	9.8	6.4



Representative Index

65% MSCI AC WORLD NET / 35% BARCLAYS AGG	1.8	1.2	9.1	7.5
------------------------------------------	-----	-----	-----	-----

Account Performance¹
Morgan Stanley Accounts Only

Account No.	Account Name (Type)	Market Value 06/30/15	Return (%)				Date of Inception	Inception Value
			Year-to-Date 12/31/14 to 06/30/15	Last-12-Months 06/30/14 to 06/30/15	Annualized Last-5-Years 06/30/10 to 06/30/15	Annualized Since Inception to 06/30/15		
Total Net Dollar Weighted Returns		\$23,388,495	0.4	0.7	9.8	6.4	12/26/02	\$3,085,318
Advisory								
383-108872	VERMONT STATE COLLEGES (Consulting Group Advisor) Consulting Group Advisor	14,649,736	(0.1)	(0.2)	10.6	N/A	12/26/02	3,085,318

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¹ The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.

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Morgan Stanley Composite Performance prepared for Managed Endowment as of 06/30/15

Account Performance¹ *Continued from previous page*
 Morgan Stanley Accounts Only

Account No.	Account Name (Type)	Market Value 06/30/15	Return (%)				Date of Inception	Inception Value
			Year-to-Date 12/31/14 to 06/30/15	Last-12-Months 06/30/14 to 06/30/15	Annualized Last-5-Years 06/30/10 to 06/30/15	Annualized Since Inception to 06/30/15		
383-108874	VERMONT STATE COLLEGES (Fiduciary Services) Delaware Investments - Internationa	1,199,476	3.8	(6.2)	9.3	12.1	02/06/03	2,483,086
383-108918	VERMONT STATE COLLEGES (Fiduciary Services) Anchor Capital - Mid Cap Value	717,415	1.5	6.7	12.3	N/A	02/27/03	795,409
383-108920**	AAA	-	N/A	N/A	N/A	N/A	02/28/03	4,039,638
383-110533	VERMONT STATE COLLEGES (Fiduciary Services) ClearBridge - Multi Cap Growth	2,276,756	0.9	1.4	20.7	9.4	04/21/06	1,040,220
383-110534	VERMONT STATE COLLEGES (Fiduciary Services) Seix Advisors - High Yield Bond	1,417,720	1.8	1.0	7.2	6.3	04/21/06	700,952
383-122584	VERMONT STATE COLLEGES (Investment Management Services) ThomasPartners	2,105,135	(1.6)	4.1	N/A	12.8	03/09/12	1,627,719
383-020918	VERMONT STATE COLLEGES (Alternative Investments Advisory) Ironwood Inst MS fund	511,319	2.5	N/A	N/A	2.1	09/24/14	500,000
383-020919	VERMONT STATE COLLEGES (Alternative Investments Advisory) Skybridge Multi Advisor Hedge Serie	510,937	2.9	N/A	N/A	2.0	09/24/14	500,000
Total Net Dollar Weighted Returns		\$23,388,495	0.4	0.7	9.8	6.4	12/26/02	\$3,085,318

Continued on next page

¹ The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.

** Account is ineligible for performance reporting.

Disclaimers prepared for Managed Endowment as of 06/30/15

General Disclosures

Information Disclosures:

This performance report has been prepared for your information only and is not a substitute for your official Morgan Stanley Smith Barney LLC account statements. Do not use the information in this report as the sole basis for investment decisions, nor take action relying on this information without confirming its accuracy and completeness. Please carefully review the attached glossary. Past performance is not a guarantee of future results.

Information is approximate: The information in this report is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. If there are discrepancies between your official account statement and this report, rely on your official account statement. Prices shown in your official account statement may differ from the prices shown in this report due to, among other things, different reporting methods, delays, market conditions and interruptions. Also, the figures in this report do not include all relevant costs (e.g., fees, commissions and taxes).

We obtain pricing and other information from various standard quotation services and other sources which we believe to be reliable, but we do not warrant or guarantee the accuracy or completeness of this information. The price that you would actually receive in the market for any investment may be higher or lower than the price shown in this report. The prices of securities and other investments not actively traded may be estimated or may not be available. For example:

- Bonds trading less frequently: We rely on outside pricing services or a computerized trading model, which cannot always give us actual market values.
- Annuities: Data in this report may have been provided by third party insurance carriers. (Not all insurance carriers provide data on annuities for performance calculations. The list of providers that provide data is available on request. Performance calculations are based on annuity values as of December 31, 2006 or later, depending on carrier participation.) This report might not reflect a transaction that posted at the insurance company before this reporting period. Depending on the carrier, annuities transactions may be net of certain fees or expenses.
- Alternative investments: The assets in these investments (and in corresponding benchmark indices) are difficult to value, values may be several weeks or more old, and the index values reflect pricing from multiple sources. Index values may be more up-to-date than the data for the alternative investments shown in this report. This report shows the latest generally available alternative investment and index data as of the date of this report.
- Non-traded Real Estate Investment Trusts (REITs) and certain other investments: These are illiquid and have no public markets.
- For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

We are not responsible for any clerical, computational or other errors or omissions. You are responsible for promptly reviewing your report and seeking clarification about entries that you do not understand. If you do not understand an entry in this report, suspect an error, or want more details on current prices or other information, contact your Financial Advisor.

Sources and Intent:

This investment evaluation is directed only to the client for whom the evaluation was performed. The underlying data has been obtained from sources considered to be reliable but its accuracy and completeness cannot be assured. This evaluation is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security. Performance for periods greater than one year is annualized. This information is being provided at your request and does not replace or supersede your monthly client account statement.

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The information in this report (including any gain and loss information) is not investment, legal, tax, accounting or other professional advice. Please contact your tax advisor to determine the appropriate information to be used in preparing your tax return. Gain/loss is provided for informational purposes only and should not be used for tax preparation. We do not guarantee nor independently verify the accuracy of gain and loss information.

Use of Report:

Disclaimers prepared for Managed Endowment as of 06/30/15

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Asset classifications and performance calculation methodologies can differ among the various supplemental performance reports available through us. For example, some reports calculate Time Weighted performance using a weighted or Modified Dietz approach while others use a daily approach. In addition, some reports may display Dollar Weighted Returns. These differences can generate meaningful dispersions in the performance numbers displayed on different reports.

Liability and indemnification:

You agree not to hold Morgan Stanley Smith Barney LLC, Morgan Stanley & Co. LLC, their affiliates or third party information providers liable for any investment decision you make based on information in this report. You also agree to indemnify Morgan Stanley Smith Barney LLC, Morgan Stanley & Co. LLC and their affiliates and hold Morgan Stanley Smith Barney LLC, Morgan Stanley & Co. LLC and their affiliates harmless from and against any and all actions, claims, demands, losses or expenses whatsoever (including attorneys' fees and costs) resulting directly or indirectly from any breaches or violations by you of the terms and conditions on this page.

Classifications of Assets:

The security classifications in this report are based on information from several sources including: Morningstar, Moody's, Standard & Poor's and Morgan Stanley Investment Research. For the purposes of this report, fixed income assets that mature within 1 year may be classified as cash if they are a packaged product, or classified as fixed income if they are an individual security. Equity assets may be categorized based on their Capitalization as Large Cap, Mid Cap or Small Cap. Large Cap is defined as equities in the top 70 percent of investible market capitalization, Mid Cap is defined as the next 20 percent of investible market capitalization and Small Cap is defined as the next 7 percent of investible market cap. An "N/A" credit rating represents fixed income products that are not covered by S&P or Morningstar (or Moody's Rating). An "N/A" maturity rating represents fixed income products that are not covered by S&P or Morningstar (or Moody's). As a firm we classify assets based on general characteristics such as: asset type, underlying capital structure, and issuing organization. As many assets contain characteristics of more than one asset class, this asset classification may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. For more information on asset classification methodology, please contact your Financial Advisor.

Advisory accounts are classified according to the manager's style mandate and may not match the classifications of the holdings at the time of this report.

Income Summary:

Current Year Estimated and 12 Month Forward projected income figures are based on a combination of stated interest and/or dividend yield, as well as recent payment history, and are not a guarantee of future payments.

Benchmarks, Charts and Graphs:

Benchmark indices are provided for general reference purposes only. Indices are unmanaged and do not reflect payment of any expenses, fees or sales charges an investor would pay to purchase the securities it represents. Such costs would lower performance. You cannot invest directly in an index. An index's past performance is not a guarantee of future results. Index values for certain types of investments (e.g. alternative investments) are approximate and subject to updating, correction and other changes. Charts and graphs are for illustrative purposes only and are not intended to represent the performance of any Morgan Stanley Smith Barney LLC offering. Also, if your account was enrolled in performance reporting prior to May 1, 2003, your gross portfolio returns and the returns for all comparative indices have a start date of the month following the account's inception date. Additionally, the following indices are available only on a monthly basis and are, therefore, measured from the beginning of the month following the account's inception: CPI, IFC Investable Emerging Markets, National Association REIT, Wilshire REIT, all Merrill Lynch Municipal Indices, the Merrill Lynch Investment Grade Convertible and the Merrill Lynch High Yield Master.

Performance Calculations

Contribution / Withdrawal Valuation:

The total value of capital contributed to or withdrawn from the account during the reporting period. The dollar amount represented by contribution or withdrawal transactions is excluded from the calculation of Portfolio Appreciation.

Disclaimers prepared for Managed Endowment as of 06/30/15

Internal Rate of Return (Dollar-Weighted):

Internal Rate of Return (IRR) tracks the performance of actual dollars invested over time. IRR is the discount rate that equates the cost of an investment with the cash generated by that investment. IRR accounts for the timing and magnitude of cash flows. IRR should not be used to compare an account's performance to benchmark indices (e.g. S&P 500) since index performance does not take into account the effect of cash flows.

Time Weighted Rate of Return:

Time Weighted Rate of Return (TWR) measures an account's compounded rate of growth over the specified time period. TWR is the return produced over time by an account independent of contributions or withdrawals. TWR is used to compare an account's performance to relevant benchmark indices (e.g. S&P 500). Different methodologies for calculating performance at the Household/Portfolio level and the Account level exist, making it possible for returns to be slightly different depending on the level being displayed. Households/Portfolios and Accounts with a historical period use a Modified Dietz calculation while Accounts with no historical periods use Modified Dietz but revalue on dates of large cash flows.

Morgan Stanley Accounts

Historical Data:

Portfolio Minder provides a life view of an account's history with the firm and will include performance to the original performance inception of the account. Performance inception date does not necessarily correspond to account inception. Please reference the inception column to establish performance coverage.

Return Reconciliation

Although checks and balances are in place, we strongly encourage you to review all returns carefully. This is especially true for returns up to a current date. Daily performance data is un-reconciled and is intended for illustrative purposes only. The CSG Performance Group will not reconcile daily performance inquiries.

Unsupervised Assets:

This report utilizes the total account view. Unsupervised assets contained within advisory accounts have been included under the advisory section and will be taken into account for both market value and performance.

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Vermont State Colleges

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Portfolio Review

Information as of June 30, 2015
Prepared on July 30, 2015

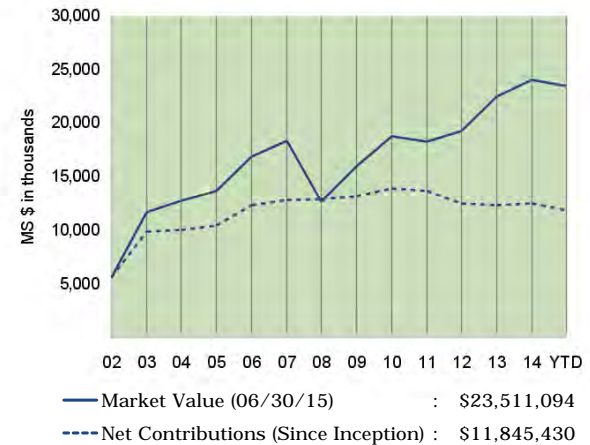
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Morgan Stanley

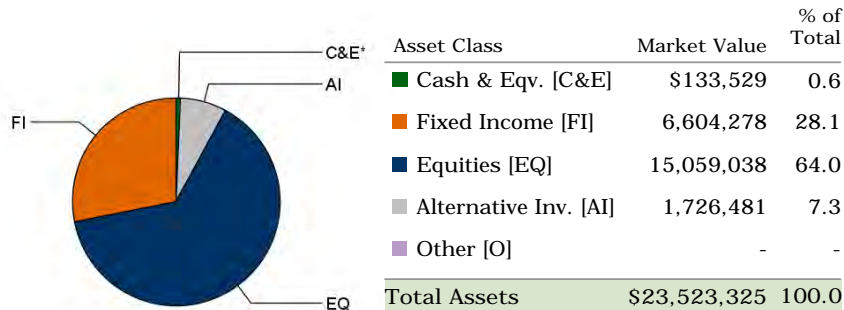
Investment Summary prepared for Vermont State Colleges as of 06/30/15

Asset Growth and Portfolio Returns¹

	Year-to-Date 12/31/14 to 06/30/15	Last-12-Month 06/30/14 to 06/30/15	Last-5-Years 06/30/10 to 06/30/15	For the Period 12/26/02 to 06/30/15
Beginning Value	\$24,107,297	\$23,887,626	\$15,869,519	\$5,616,088
Net Contributions	(701,792)	(551,314)	(1,783,565)	6,229,342
Ending Value	23,511,094	23,511,094	23,511,094	23,511,094
Total Returns	\$105,589	\$174,782	\$9,425,140	\$11,665,664
Dollar Weighted Rate of Return (IRR)			Annualized	Annualized
Advisory Net Returns (%)	0.4	0.7	9.8	6.4
Brokerage Net Returns (%)	10.6	14.9	N/A	(0.3)
Total Net Returns (%)	0.4	0.7	10.0	5.6
65% MSCI AC WORLD NET / 35%	1.8	1.2	9.1	7.5



Asset Allocation



*Available Cash is \$367,429 or 1.56%.

¹ The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.

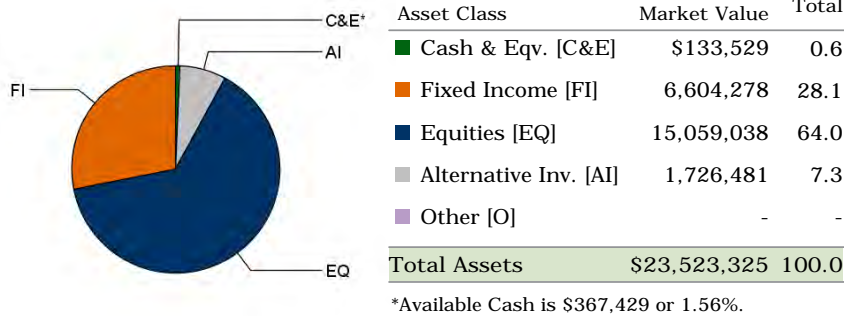
Income Summary

	Year-to-Date 01/01/15 06/30/15	Estimated	
		Year 2015 01/01/15 12/31/15	Next 12 Months 08/01/15 07/31/16
Taxable	206,276	535,218	511,206
Non Taxable	-	-	-
Tax Deferred	-	-	-
Morgan Stanley Total Income	206,276	535,218	511,206

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Composite Allocation prepared for Vermont State Colleges as of 06/30/15

Asset Allocation



Style Analysis

Fixed Income (% of Asset Class)

Domestic

Short	Intern.	Long	
0.0	0.0	0.0	High Quality
1.8	0.9	0.0	Medium Quality
17.4	0.2	0.2	Low Quality

International N/A

7.4	72.1
-----	------

Equity (% of Asset Class)

Domestic

Value	Core	Growth	
26.2	4.1	33.4	Large Size
5.6	0.6	0.2	Medium Size
0.0	2.5	0.0	Small Size

International Other
Core Emerg.

19.6	7.7	0.1
------	-----	-----

Asset Allocation Detail

Account No.	Account	Cash Equivalents ¹	Fixed Income	Equities	Alternative Investments	Other	Total Account Value
Household Total		\$133,529 0.6%	\$6,604,278 28.1%	\$15,059,038 64.0%	\$1,726,481 7.3%	-	\$23,523,325 100.0%

Managed Endowment

383-108872	VERMONT STATE COLLEGES Consulting Group Advisor Consulting Group Advisor	84,598 0.6%	5,186,557 35.4%	8,713,809 59.5%	664,771 4.5%	-	14,649,736 100.0%
383-020919	VERMONT STATE COLLEGES Skybridge Multi Advisor Hedge Serie Alternative Investments Advisory	4 -	- -	- -	520,220 100.0%	-	520,223 100.0%

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¹ May include fixed income due within a year.

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Composite Allocation prepared for Vermont State Colleges as of 06/30/15

Asset Allocation Detail *continued from previous page*

Account No.	Account	Cash Equivalents ¹	Fixed Income	Equities	Alternative Investments	Other	Total Account Value
383-108874	VERMONT STATE COLLEGES	-	-	1,199,476	-	-	1,199,476
	Delaware Investments - Internationa Fiduciary Services	-	-	100.0%	-	-	100.0%
383-108918	VERMONT STATE COLLEGES	-	-	717,415	-	-	717,415
	Anchor Capital - Mid Cap Value Fiduciary Services	-	-	100.0%	-	-	100.0%
383-108920	VERMONT STATE COLLEGES	-	-	-	-	-	-
	AAA	-	-	-	-	-	100.0%
383-110533	VERMONT STATE COLLEGES	-	-	2,276,756	-	-	2,276,756
	ClearBridge - Multi Cap Growth Fiduciary Services	-	-	100.0%	-	-	100.0%
383-110534	VERMONT STATE COLLEGES	-	1,417,720	-	-	-	1,417,720
	Seix Advisors - High Yield Bond Fiduciary Services	-	100.0%	-	-	-	100.0%
383-122584	VERMONT STATE COLLEGES	36,021	-	2,041,884	27,230	-	2,105,135
	ThomasPartners Investment Management Services	1.7%	-	97.0%	1.3%	-	100.0%
383-020918	VERMONT STATE COLLEGES	4	-	-	514,259	-	514,263
	Ironwood Inst MS fund Alternative Investments Advisory	-	-	-	100.0%	-	100.0%
Portfolio Total		\$120,626	\$6,604,278	\$14,949,341	\$1,726,481	-	\$23,400,726
		0.5%	28.2%	63.9%	7.4%	-	100.0%

Operations

383-108873	VERMONT STATE COLLEGES	12,903	-	109,697	-	-	122,600
	AAA	10.5%	-	89.5%	-	-	100.0%
Portfolio Total		\$12,903	-	\$109,697	-	-	\$122,600
		10.5%	-	89.5%	-	-	100.0%

continued on next page

¹ May include fixed income due within a year.

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Composite Allocation prepared for Vermont State Colleges as of 06/30/15

Asset Allocation Detail *continued from previous page*

Account No.	Account	Cash Equivalents ¹	Fixed Income	Equities	Alternative Investments	Other	Total Account Value
Household Total		\$133,529	\$6,604,278	\$15,059,038	\$1,726,481	-	\$23,523,325
		0.6%	28.1%	64.0%	7.3%	-	100.0%

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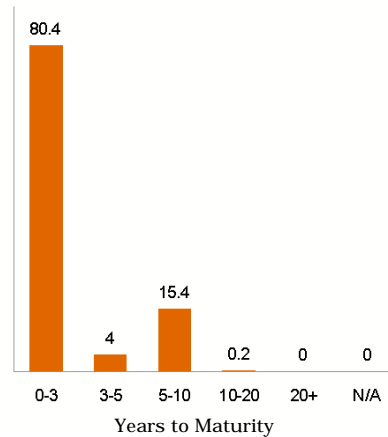
¹ May include fixed income due within a year.

If external holdings were provided, they have been included in this report in order to provide you with a more complete picture of your financial holdings. Please note: Morgan Stanley Smith Barney LLC is not responsible for information (including valuations) from external sources. Please contact your financial advisor to update your information.

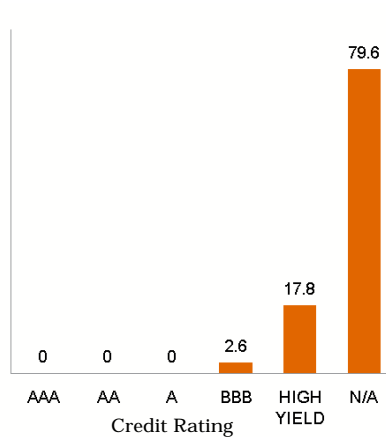
Composite Analysis prepared for Vermont State Colleges as of 06/30/15

Fixed Income

Maturity Schedule (%)



Credit Rating (%)



Fixed Income

Top Holdings

Security Name	Market Value	% of Fixed
VANGUARD TOTAL BD MKT INDX INV	\$2,224,895	33.7
LOOMIS SAYLES BOND INST	1,140,991	17.3
VANGUARD SH TM INVT GR INV	1,071,841	16.2
DREYFUS STANDISH GLB FIX INC I	748,830	11.3
POST HOLDINGS INC	38,671	0.6
CATAMARAN CORP	30,277	0.5
DISH DBS CORPORATION	29,201	0.4
HCA INC	28,898	0.4
CBRE SERVICES INC	28,688	0.4
NRG ENERGY, INC.	28,332	0.4
Total Fixed Income Top Holdings	5,370,624	81.3
Total Fixed Income	6,604,278	100.0

Equities

Sector Allocation

Sector	Market Value	% of Equities
Consumer Discretionary	897,305	6.1
Consumer Staples	466,304	3.2
Energy	482,567	3.3
Financials	665,131	4.5
Health Care	1,191,204	8.1
Industrials	664,455	4.5
Information Technology	948,258	6.4
Materials	203,872	1.4
Telecommunication Services	318,034	2.2
Utilities	194,957	1.3
Others	8,713,809	59.1
Total	14,745,897	100.0

Top Holdings

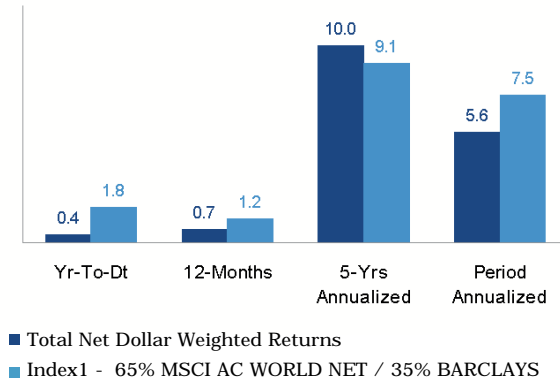
Security Name	Market Value	% of Equities
ISHARES RUSSELL 1000 VALUE ETF	\$3,128,540	20.8
ISHARES RUSSELL 1000 GRW ETF	2,554,953	17.0
WILLIAM BLAIR INTL GROWTH I	1,458,159	9.7
OPPENHEIMER DEVELOPING MKTS Y	583,106	3.9
LAZARD EMERGING MKTS EQ I	578,967	3.8
ISHARES RUSSELL 2000 ETF	381,947	2.5
COMCAST CORP CL A SPECIAL NEW	202,961	1.3
UNITEDHEALTH GP INC	201,178	1.3
ALLERGAN PLC SHS	195,125	1.3
BIOGEN INC COM	115,527	0.8
Total Equities Top Holdings	9,400,462	62.4
Total Equities	15,059,038	100.0

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Morgan Stanley Composite Performance prepared for Vermont State Colleges as of 06/30/15

Portfolio Returns (%)¹
Morgan Stanley Accounts Only

	Year-to-Date 12/31/14 to 06/30/15	Last-12-Month 06/30/14 to 06/30/15	Annualized Last-5-Years 06/30/10 to 06/30/15	Annualized For the Period 12/26/02 to 06/30/15
Total Net Dollar Weighted Returns	0.4	0.7	10.0	5.6



Representative Index

	1.8	1.2	9.1	7.5
65% MSCI AC WORLD NET / 35% BARCLAYS AGG				

Account Performance¹
Morgan Stanley Accounts Only

Account No.	Account Name (Type)	Market Value 06/30/15	Return (%)				Date of Inception	Inception Value
			Year-to-Date 12/31/14 to 06/30/15	Last-12-Months 06/30/14 to 06/30/15	Annualized Last-5-Years 06/30/10 to 06/30/15	Annualized Since Inception to 06/30/15		
Total Net Dollar Weighted Returns		\$23,511,094	0.4	0.7	10.0	5.6	12/26/02	\$5,616,088
Advisory								
383-108872	VERMONT STATE COLLEGES (Consulting Group Advisor) Consulting Group Advisor	14,649,736	(0.1)	(0.2)	10.6	N/A	12/26/02	3,085,318

Continued on next page

¹ The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.

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Morgan Stanley Composite Performance prepared for Vermont State Colleges as of 06/30/15

Account Performance¹ *Continued from previous page*
 Morgan Stanley Accounts Only

Account No.	Account Name (Type)	Market Value 06/30/15	Return (%)				Date of Inception	Inception Value
			Year-to-Date 12/31/14 to 06/30/15	Last-12-Months 06/30/14 to 06/30/15	Annualized Last-5-Years 06/30/10 to 06/30/15	Annualized Since Inception to 06/30/15		
383-108874	VERMONT STATE COLLEGES (Fiduciary Services) Delaware Investments - Internationa	1,199,476	3.8	(6.2)	9.3	12.1	02/06/03	2,483,086
383-108918	VERMONT STATE COLLEGES (Fiduciary Services) Anchor Capital - Mid Cap Value	717,415	1.5	6.7	12.3	N/A	02/27/03	795,409
383-108920**	AAA	-	N/A	N/A	N/A	N/A	02/28/03	4,039,638
383-110533	VERMONT STATE COLLEGES (Fiduciary Services) ClearBridge - Multi Cap Growth	2,276,756	0.9	1.4	20.7	9.4	04/21/06	1,040,220
383-110534	VERMONT STATE COLLEGES (Fiduciary Services) Seix Advisors - High Yield Bond	1,417,720	1.8	1.0	7.2	6.3	04/21/06	700,952
383-122584	VERMONT STATE COLLEGES (Investment Management Services) ThomasPartners	2,105,135	(1.6)	4.1	N/A	12.8	03/09/12	1,627,719
383-020918	VERMONT STATE COLLEGES (Alternative Investments Advisory) Ironwood Inst MS fund	511,319	2.5	N/A	N/A	2.1	09/24/14	500,000
383-020919	VERMONT STATE COLLEGES (Alternative Investments Advisory) Skybridge Multi Advisor Hedge Serie	510,937	2.9	N/A	N/A	2.0	09/24/14	500,000
Total Advisory		\$23,388,495	0.4	0.7	9.8	6.4	12/26/02	\$3,085,318

Continued on next page

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** Account is ineligible for performance reporting.

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Morgan Stanley Composite Performance prepared for Vermont State Colleges as of 06/30/15

Account Performance¹ *Continued from previous page*
 Morgan Stanley Accounts Only

Account No.	Account Name (Type)	Market Value 06/30/15	Return (%)				Date of Inception	Inception Value
			Year-to-Date 12/31/14 to 06/30/15	Last-12-Months 06/30/14 to 06/30/15	Annualized Last-5-Years 06/30/10 to 06/30/15	Annualized Since Inception to 06/30/15		
Brokerage								
383-108873	VERMONT STATE COLLEGES (AAA)	122,600	10.6	14.9	21.0	(17.7)	12/26/02	2,530,770
Total Brokerage		\$122,600	10.6	14.9	N/A	(0.3)	12/26/02	\$2,530,770
Total Net Dollar Weighted Returns		\$23,511,094	0.4	0.7	10.0	5.6	12/26/02	\$5,616,088

Continued on next page

¹ The investment results depicted here represent a net return after the deduction of advisory fees for Morgan Stanley accounts only.

*** Performance includes closed accounts. For a complete list of closed accounts included in performance please see the disclaimer page.

Disclaimers prepared for Vermont State Colleges as of 06/30/15

General Disclosures

Information Disclosures:

This performance report has been prepared for your information only and is not a substitute for your official Morgan Stanley Smith Barney LLC account statements. Do not use the information in this report as the sole basis for investment decisions, nor take action relying on this information without confirming its accuracy and completeness. Please carefully review the attached glossary. Past performance is not a guarantee of future results.

Information is approximate: The information in this report is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. If there are discrepancies between your official account statement and this report, rely on your official account statement. Prices shown in your official account statement may differ from the prices shown in this report due to, among other things, different reporting methods, delays, market conditions and interruptions. Also, the figures in this report do not include all relevant costs (e.g., fees, commissions and taxes).

We obtain pricing and other information from various standard quotation services and other sources which we believe to be reliable, but we do not warrant or guarantee the accuracy or completeness of this information. The price that you would actually receive in the market for any investment may be higher or lower than the price shown in this report. The prices of securities and other investments not actively traded may be estimated or may not be available. For example:

- Bonds trading less frequently: We rely on outside pricing services or a computerized trading model, which cannot always give us actual market values.
- Annuities: Data in this report may have been provided by third party insurance carriers. (Not all insurance carriers provide data on annuities for performance calculations. The list of providers that provide data is available on request. Performance calculations are based on annuity values as of December 31, 2006 or later, depending on carrier participation.) This report might not reflect a transaction that posted at the insurance company before this reporting period. Depending on the carrier, annuities transactions may be net of certain fees or expenses.
- Alternative investments: The assets in these investments (and in corresponding benchmark indices) are difficult to value, values may be several weeks or more old, and the index values reflect pricing from multiple sources. Index values may be more up-to-date than the data for the alternative investments shown in this report. This report shows the latest generally available alternative investment and index data as of the date of this report.
- Non-traded Real Estate Investment Trusts (REITs) and certain other investments: These are illiquid and have no public markets.
- For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

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Sources and Intent:

This investment evaluation is directed only to the client for whom the evaluation was performed. The underlying data has been obtained from sources considered to be reliable but its accuracy and completeness cannot be assured. This evaluation is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security. Performance for periods greater than one year is annualized. This information is being provided at your request and does not replace or supersede your monthly client account statement.

Not Tax or Other Advice:

The information in this report (including any gain and loss information) is not investment, legal, tax, accounting or other professional advice. Please contact your tax advisor to determine the appropriate information to be used in preparing your tax return. Gain/loss is provided for informational purposes only and should not be used for tax preparation. We do not guarantee nor independently verify the accuracy of gain and loss information.

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Asset classifications and performance calculation methodologies can differ among the various supplemental performance reports available through us. For example, some reports calculate Time Weighted performance using a weighted or Modified Dietz approach while others use a daily approach. In addition, some reports may display Dollar Weighted Returns. These differences can generate meaningful dispersions in the performance numbers displayed on different reports.

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Classifications of Assets:

The security classifications in this report are based on information from several sources including: Morningstar, Moody's, Standard & Poor's and Morgan Stanley Investment Research. For the purposes of this report, fixed income assets that mature within 1 year may be classified as cash if they are a packaged product, or classified as fixed income if they are an individual security. Equity assets may be categorized based on their Capitalization as Large Cap, Mid Cap or Small Cap. Large Cap is defined as equities in the top 70 percent of investible market capitalization, Mid Cap is defined as the next 20 percent of investible market capitalization and Small Cap is defined as the next 7 percent of investible market cap. An "N/A" credit rating represents fixed income products that are not covered by S&P or Morningstar (or Moody's Rating). An "N/A" maturity rating represents fixed income products that are not covered by S&P or Morningstar (or Moody's). As a firm we classify assets based on general characteristics such as: asset type, underlying capital structure, and issuing organization. As many assets contain characteristics of more than one asset class, this asset classification may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. For more information on asset classification methodology, please contact your Financial Advisor.

Advisory accounts are classified according to the manager's style mandate and may not match the classifications of the holdings at the time of this report.

Income Summary:

Current Year Estimated and 12 Month Forward projected income figures are based on a combination of stated interest and/or dividend yield, as well as recent payment history, and are not a guarantee of future payments.

Benchmarks, Charts and Graphs:

Benchmark indices are provided for general reference purposes only. Indices are unmanaged and do not reflect payment of any expenses, fees or sales charges an investor would pay to purchase the securities it represents. Such costs would lower performance. You cannot invest directly in an index. An index's past performance is not a guarantee of future results. Index values for certain types of investments (e.g. alternative investments) are approximate and subject to updating, correction and other changes. Charts and graphs are for illustrative purposes only and are not intended to represent the performance of any Morgan Stanley Smith Barney LLC offering. Also, if your account was enrolled in performance reporting prior to May 1, 2003, your gross portfolio returns and the returns for all comparative indices have a start date of the month following the account's inception date. Additionally, the following indices are available only on a monthly basis and are, therefore, measured from the beginning of the month following the account's inception: CPI, IFC Investable Emerging Markets, National Association REIT, Wilshire REIT, all Merrill Lynch Municipal Indices, the Merrill Lynch Investment Grade Convertible and the Merrill Lynch High Yield Master.

Performance Calculations

Contribution / Withdrawal Valuation:

The total value of capital contributed to or withdrawn from the account during the reporting period. The dollar amount represented by contribution or withdrawal transactions is excluded from the calculation of Portfolio Appreciation.

Disclaimers prepared for Vermont State Colleges as of 06/30/15

Internal Rate of Return (Dollar-Weighted):

Internal Rate of Return (IRR) tracks the performance of actual dollars invested over time. IRR is the discount rate that equates the cost of an investment with the cash generated by that investment. IRR accounts for the timing and magnitude of cash flows. IRR should not be used to compare an account's performance to benchmark indices (e.g. S&P 500) since index performance does not take into account the effect of cash flows.

Time Weighted Rate of Return:

Time Weighted Rate of Return (TWR) measures an account's compounded rate of growth over the specified time period. TWR is the return produced over time by an account independent of contributions or withdrawals. TWR is used to compare an account's performance to relevant benchmark indices (e.g. S&P 500). Different methodologies for calculating performance at the Household/Portfolio level and the Account level exist, making it possible for returns to be slightly different depending on the level being displayed. Households/Portfolios and Accounts with a historical period use a Modified Dietz calculation while Accounts with no historical periods use Modified Dietz but revalue on dates of large cash flows.

Morgan Stanley Accounts

Historical Data:

Portfolio Minder provides a life view of an account's history with the firm and will include performance to the original performance inception of the account. Performance inception date does not necessarily correspond to account inception. Please reference the inception column to establish performance coverage.

Return Reconciliation

Although checks and balances are in place, we strongly encourage you to review all returns carefully. This is especially true for returns up to a current date. Daily performance data is un-reconciled and is intended for illustrative purposes only. The CSG Performance Group will not reconcile daily performance inquiries.

Unsupervised Assets:

This report utilizes the total account view. Unsupervised assets contained within advisory accounts have been included under the advisory section and will be taken into account for both market value and performance.

Closed Accounts:

999-209262, 999-209263

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3. Monthly Cash Report

There is \$23,789,000 being invested with TD Wealth. Of this amount \$4,339,000 is being invested in intermediate investments and \$19,450,000 is invested in long term investments. The intermediate investments are earning an average of 0.80% while the long term investments are earning an average of 1.80%. The long term investments tend to be premium bonds so the net interest rate (after premium amortization) is ~ 1.60%. At the same time we are keeping just enough money in our operating accounts to avoid monthly transaction fees – this account is paying 0.50%. We are discussing investment options with other financial entities to ensure that we are maximizing our investment opportunities and earnings.

**VERMONT STATE COLLEGES
CASH & INVESTMENT REPORT: As of 7/31/2015**

(Excludes non-operating/non-endowment investments made by VSC capital bond trustees)

	FY2014			FY2015			FY2016		
	CASH Avg Daily Balance	INV'MT Avg Daily Balance	CASH & INV'MT Avg Daily Balance	CASH Avg Daily Balance	INV'MT Avg Daily Balance	CASH & INV'MT Avg Daily Balance	CASH Avg Daily Balance	INV'MT Avg Daily Balance	CASH & INV'MT Avg Daily Balance
JULY	5,296,427	48,332,067	53,628,494	5,693,454	49,867,648	55,561,102	3,355,937	49,724,698	53,080,635
AUGUST	9,825,415	47,302,618	57,128,033	10,617,091	50,457,909	61,075,000	0	0	0
SEPTEMBER	15,632,690	48,110,810	63,743,500	15,870,921	49,854,030	65,724,951	0	0	0
OCTOBER	21,718,225	53,810,622	75,528,848	23,455,481	50,257,327	73,712,808	0	0	0
NOVEMBER	13,853,469	54,060,408	67,913,877	22,488,791	50,662,244	73,151,035	0	0	0
DECEMBER	7,762,978	54,602,700	62,365,678	16,582,373	50,599,560	67,181,933	0	0	0
JANUARY	6,504,135	54,227,520	60,731,656	13,982,318	50,470,073	64,452,391	0	0	0
FEBRUARY	15,834,562	55,091,809	70,926,372	25,288,139	51,191,635	76,479,774	0	0	0
MARCH	24,539,278	55,145,994	79,685,272	25,813,245	51,040,377	76,853,623	0	0	0
APRIL	17,902,254	55,309,876	73,212,131	33,001,582	51,196,107	73,197,689	0	0	0
MAY	13,495,445	55,805,308	69,300,753	16,613,579	50,630,767	67,244,346	0	0	0
JUNE	5,486,546	52,596,707	58,083,253	12,181,645	50,099,272	62,280,917	0	0	0
Cash & Inv Avg thru 1 month	\$5,296,427	\$48,332,067	\$53,628,494	\$5,693,454	\$49,867,648	\$55,561,102	\$3,355,937	\$49,724,698	\$53,080,635

Summary of VSC Investments: July Daily Average Balances

	Amount	Annual Yield
TD Bank Concentration Account	2,754,317	0.50%
TD Bank Wealth Medical Mgt	158,845	0.01%
TD Bank Money Market accounts	2,295,409	0.56%
TD Wealth Investments	23,789,377	
Morgan Stanley (Endowment)	23,639,912	
Total Investment	\$52,637,859	
Remainder of money at local college banks earning varying interest rates. Average rate:	\$442,776	0.16%

M/L C.P.= Commercial Paper purchased through Merrill Lynch.
CIC Finance is a AAA+ rated financial company incorporated in Delaware.