

September 16, 2015

MEMORANDUM

TO: Board of Trustees
Vermont State Colleges

FROM: Martha O'Connor, VSC Board of Trustees
Jeb Spaulding, Chancellor



SUBJECT: Reading Materials for Board of Trustees Retreat

Attached are the agenda and reading materials to prepare you for the discussions planned during the Board's annual retreat, Tuesday and Wednesday, September 22nd and 23rd.

Tuesday will feature a Board discussion of your self-assessment, a presentation on students of the future, a presentation on Vermont's labor needs, and a conversation with Dr. Aims McGuinness, followed by cocktails and dinner. The retreat will continue the morning of Wednesday, 9/23 with conversation about legislative planning, a potential system name change, and system fundraising. After lunch we will hold the regular Board meeting.

We look forward to seeing everyone on Tuesday.

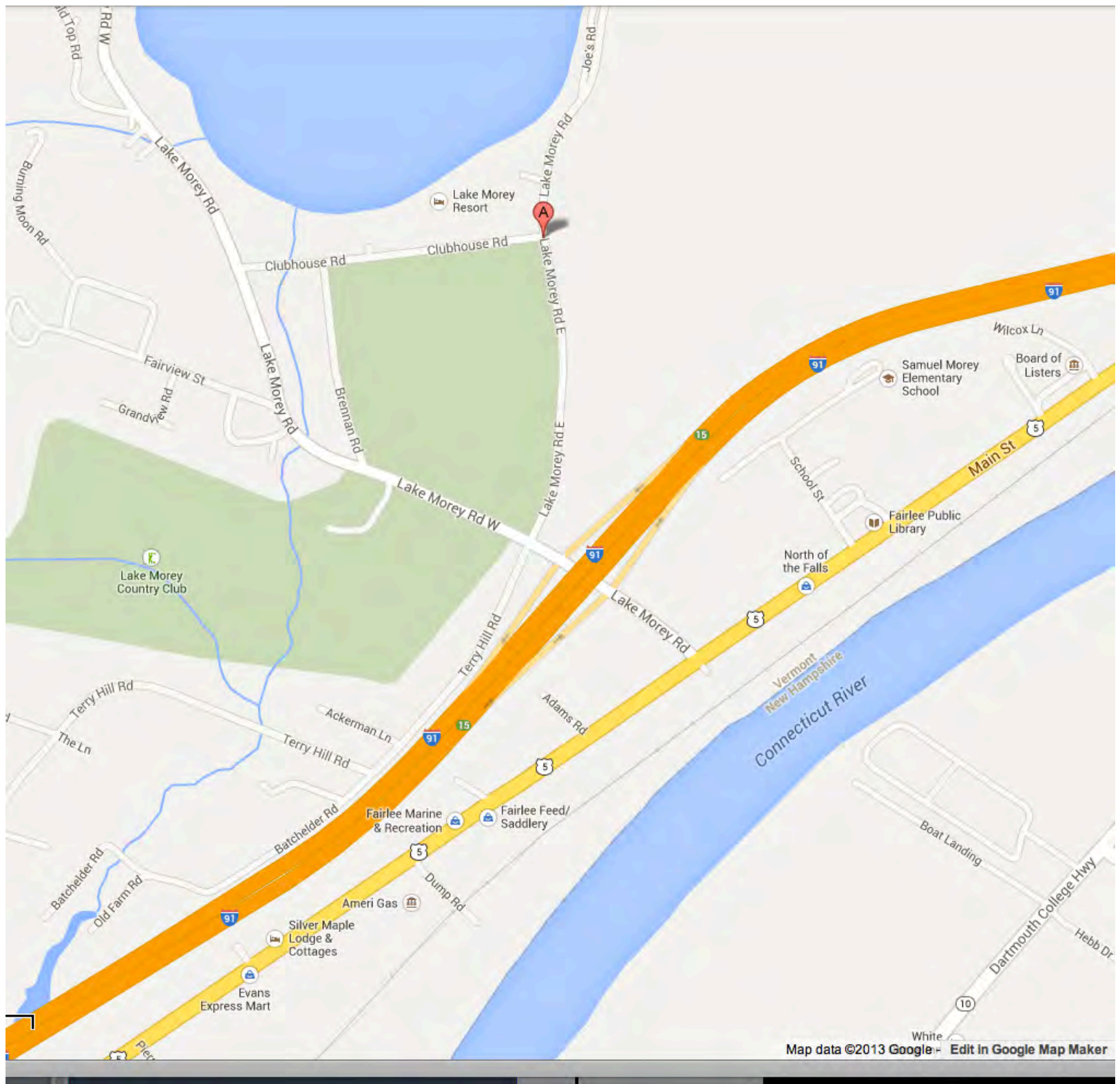
cc: Council of Presidents

Directions to Lake Morey Resort:

From points South: Take I-91 North to Exit 15. Turn left off exit ramp. Take first right (granite Lake Morey Resort sign on corner). Follow the golf course (on left) and take your first left onto Clubhouse Rd. Resort is on the right.

From points North: Take I-89 South to Exit 7 (Berlin/Barre). Take Route 302 East through Barre to Orange. Take Route 25 South to Bradford. Take I-91 South to Exit 15 - Turn right off exit ramp. Take next right (granite Lake Morey Resort sign on corner). Follow the golf course (on left) and take your first left onto Clubhouse Rd. Resort is on the right.

Follow this link to an interactive map: <http://goo.gl/maps/zyZ7y>. Another map is included on the next page. Information about the resort can be found here: <http://www.lakemoreyresort.com>.



**VERMONT STATE COLLEGES
BOARD OF TRUSTEES RETREAT
September 22-23, 2015**

**Lake Morey Resort
Fairlee, Vermont**

Board Retreat, Day 1

Tuesday, September 22

8:30 - 9:30 a.m. Arrival, Check-In

9:30 - 11 a.m. Board of Trustees: Discussion of Board Self-Assessment
with Dr. Aims McGuinness

Reading Materials:

[2015 Board Self-Assessment Aggregate Results](#)

[Board Self-Assessments 2000-2015 Summary](#)

Presidents & Chancellor's Office Staff: Council of Presidents Meeting

11:00 – 11:30 a.m. Presentation on the Fiduciary Duties of Governing Boards
with Trustee Mike Pieciak

Reading Material:

[AGB Statement on the Fiduciary Duties of Governing Board Members](#)

11:30 a.m. - 1 p.m. Working Lunch & Presentation
Understanding Our Future Students: Post-Millennials & Adults
with JSC Dean of Students Dave Bergh and
CCV Dean of Students Heather Weinstein

1:00 – 2:00 p.m. Presentation on Vermont Workforce Needs with Mathew Barewicz,
Economic & Labor Market Information Chief, VT Department of Labor

Reading Material:

[Compact with the State of Vermont: The 60% Solution](#)

2:00 – 5:00 p.m. Conversation with Dr. Aims McGuinness

Reading Materials:

- [Minutes of the June 25, 2015 Long Range Planning Committee](#)
(Or listen to the meeting [here](#).)
- [Mission statements of the VSC and its institutions](#)
- [“The View from the Top: What Presidents Think About Financial Sustainability, Student Outcomes, and the Future of Higher Education”](#) – Chronicle of Higher Education
- [“A Strategic Plan is Just the Beginning”](#) – AGB (external link)
- [“Bringing to Life Transformative Ideas: A Blueprint for Trustees”](#)
–AGB (external link)

5:30 p.m. Informal Board Dinner

Board Retreat, Day 2

Wednesday, September 23

7:30 – 8:30 a.m. Breakfast

8:30 – 9:30 a.m. Legislative Agenda Planning

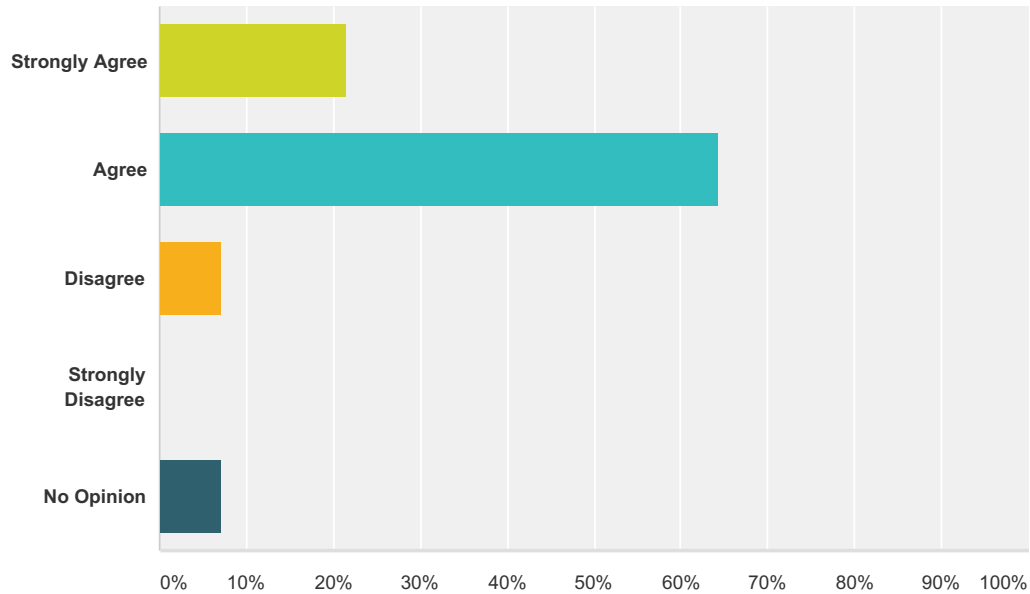
9:30 – 11:00 a.m. Follow-up to Discussion with Dr. McGuinness, and
Discussion on Potential Renaming of the System

11:00 – 12:00 p.m. Overview of Institutional Fundraising and Discussion of the
Board’s Role in System Fundraising
Facilitated by Tricia Coates and Christine Graham

12:00 p.m. – 12:30 p.m. Lunch

Q1 This board takes regular steps to keep informed about important trends in the larger environment that might affect the organization.

Answered: 14 Skipped: 0

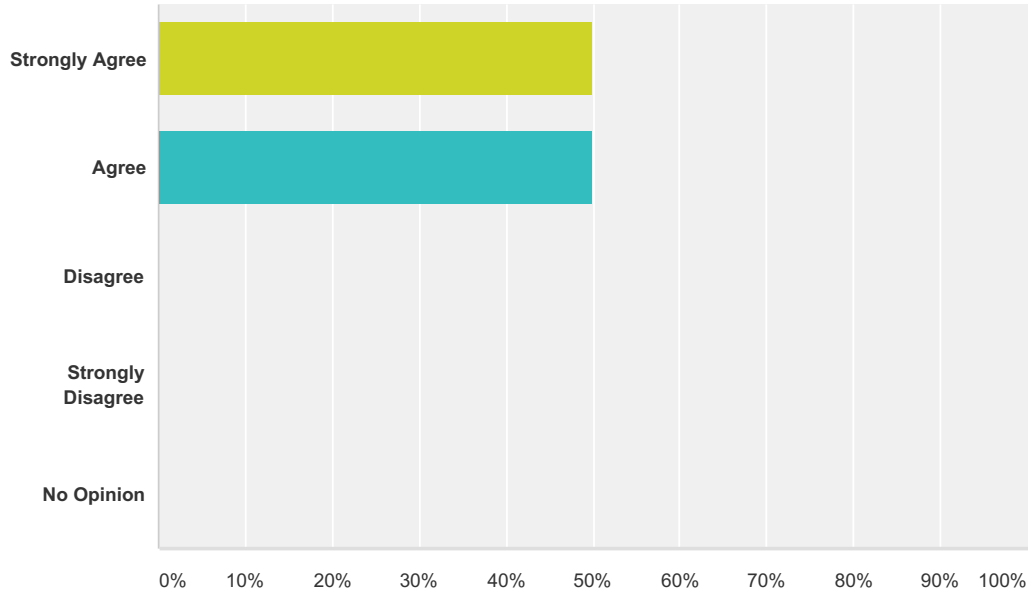


Answer Choices	Responses
Strongly Agree	21.43% 3
Agree	64.29% 9
Disagree	7.14% 1
Strongly Disagree	0.00% 0
No Opinion	7.14% 1
Total	14

#	Comments:	Date
1	We receive the Chronicle of Higher Ed daily, plus have opportunities to hear keynote speakers at such events as the Academic Retreat, and articles sent to us by the Chancellor.	9/3/2015 9:18 AM
2	"Steps" strike me as more "on occasion" than regularly.	8/25/2015 11:08 AM
3	We have discussed some trends, but other trends we have not discussed, such as milenials and their characteristics and the implications for VSC.	8/16/2015 5:57 PM

Q2 I feel comfortable asking for further explanation when I don't fully understand the subtleties of an issue being discussed at a board meeting.

Answered: 14 Skipped: 0

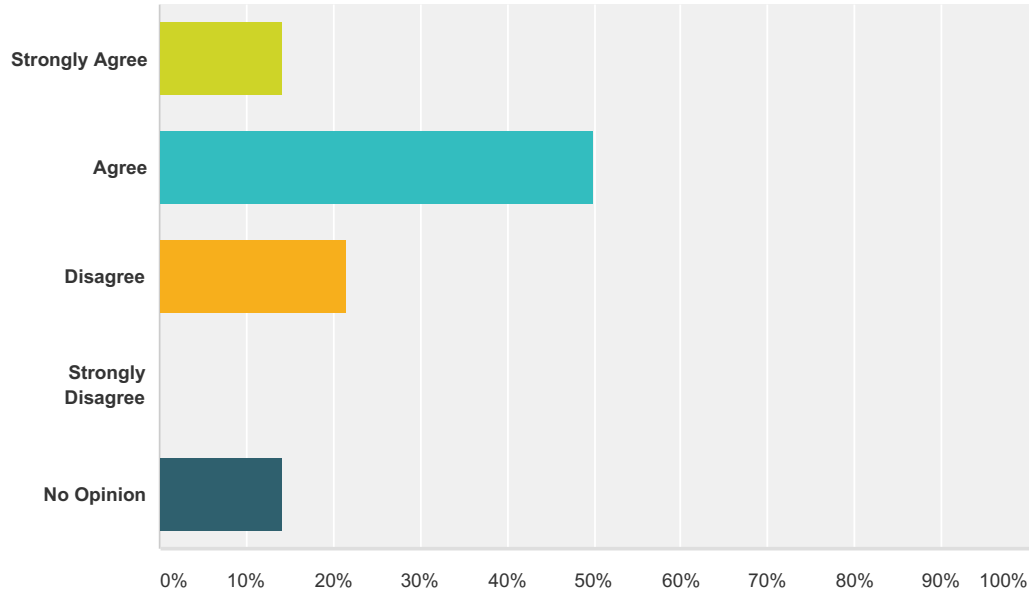


Answer Choices	Responses	Count
Strongly Agree	50.00%	7
Agree	50.00%	7
Disagree	0.00%	0
Strongly Disagree	0.00%	0
No Opinion	0.00%	0
Total		14

#	Comments:	Date
1	I feel comfortable now. The new Chairperson and Chancellor seem to truly give high priority to transparency and encourage the questioning.	9/3/2015 9:18 AM

Q3 Our board explicitly examines the “downside” or possible pitfalls of any important decision it is about to make.

Answered: 14 Skipped: 0

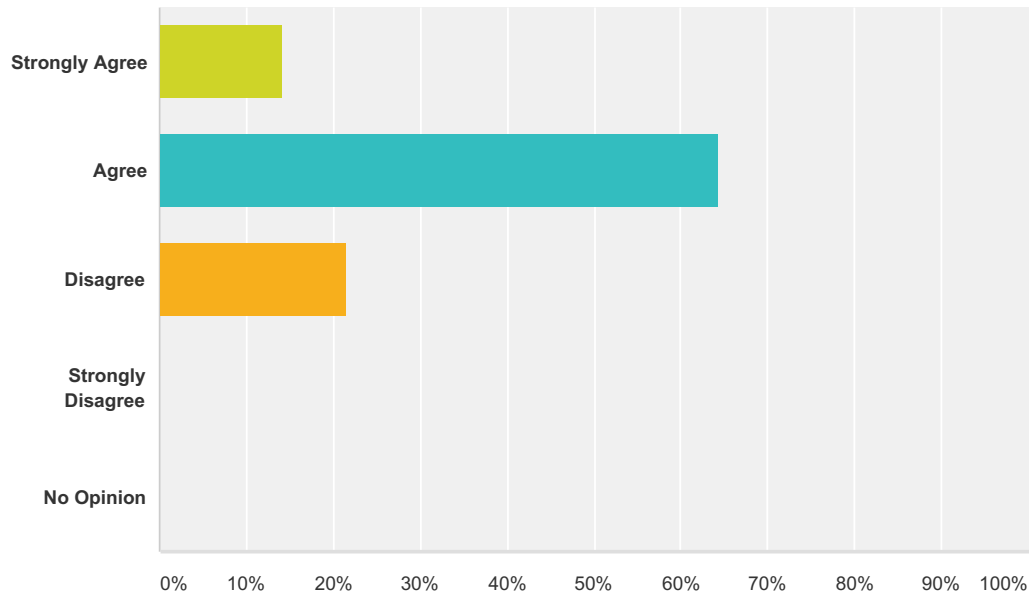


Answer Choices	Responses
Strongly Agree	14.29% 2
Agree	50.00% 7
Disagree	21.43% 3
Strongly Disagree	0.00% 0
No Opinion	14.29% 2
Total	14

#	Comments:	Date
1	sometimes	9/4/2015 11:05 AM
2	We could do more of this for major strategic decisions	8/25/2015 11:08 AM
3	I feel management shares the downside of decisions reluctantly.	8/16/2015 5:57 PM

Q4 I have ample knowledge about and understanding of the unique characteristics of each college.

Answered: 14 Skipped: 0

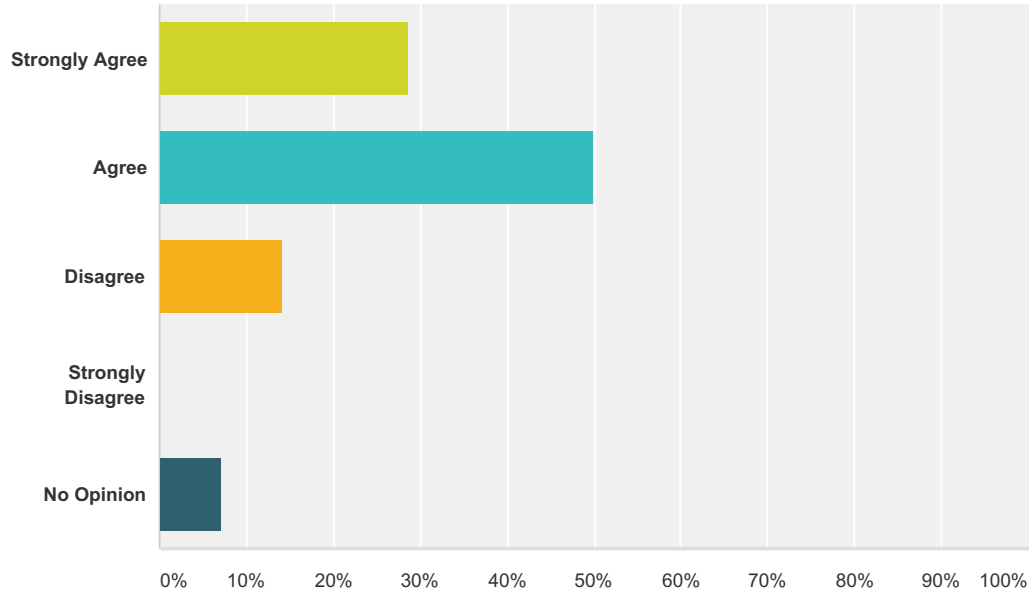


Answer Choices	Responses	
Strongly Agree	14.29%	2
Agree	64.29%	9
Disagree	21.43%	3
Strongly Disagree	0.00%	0
No Opinion	0.00%	0
Total		14

#	Comments:	Date
1	The opportunities to learn about each school have been limited. Attending a meeting at the school once a year or attending graduation is insufficient.	9/3/2015 9:18 AM
2	A great deal of information is regularly provided. Sometimes more than I can absorb. Not a problem of not getting enough info.	8/30/2015 2:29 PM
3	Not yet but getting there.	8/25/2015 11:08 AM
4	I could always use more.	8/20/2015 4:29 PM

Q5 This Board has effective means of communicating with all members of the VSC community, including Presidents, faculty, staff, and students.

Answered: 14 Skipped: 0

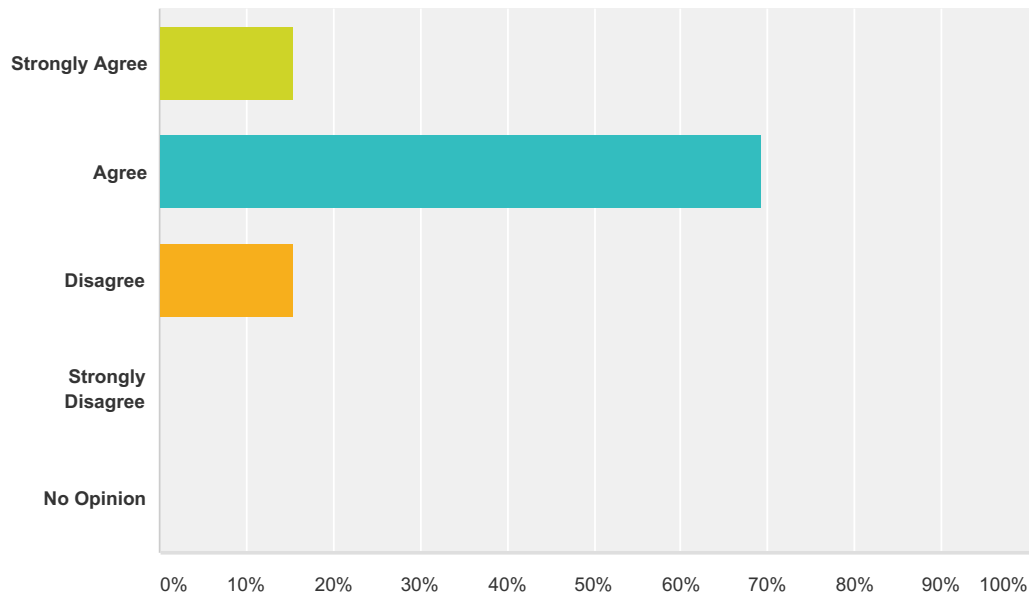


Answer Choices	Responses
Strongly Agree	28.57% 4
Agree	50.00% 7
Disagree	14.29% 2
Strongly Disagree	0.00% 0
No Opinion	7.14% 1
Total	14

#	Comments:	Date
1	I don't believe all of the presidents or other members of the community know that they are free or are encouraged to talk with individual trustees.	9/3/2015 9:18 AM
2	Generally yes, but communication with students could be greater.	8/30/2015 2:29 PM
3	I would like to see some ways we as a board can communicate with staff and especially students.	8/20/2015 4:29 PM

Q6 I find it easy to identify the key issues that this board faces.

Answered: 13 Skipped: 1

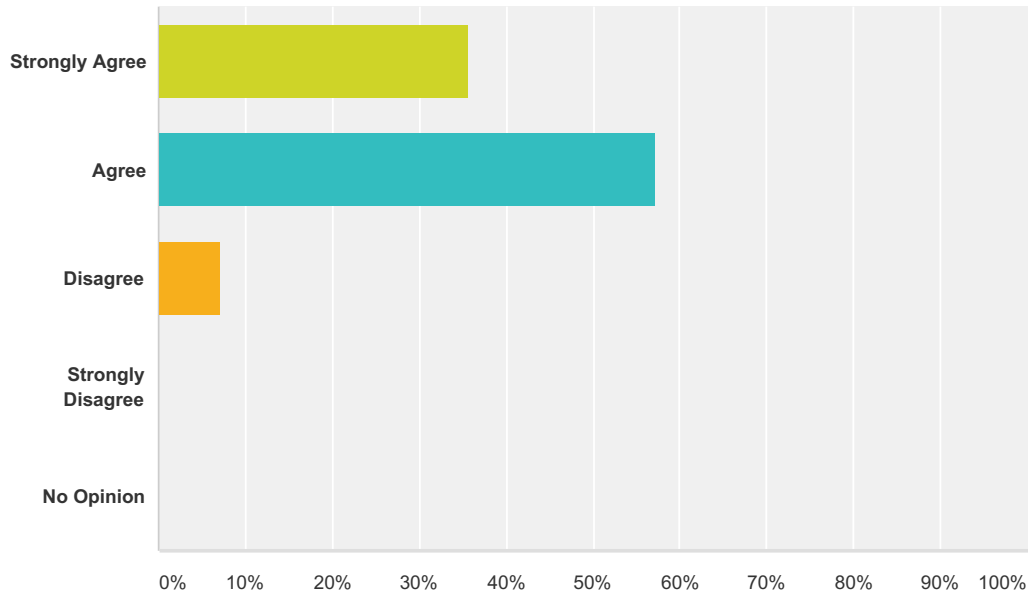


Answer Choices	Responses
Strongly Agree	15.38% 2
Agree	69.23% 9
Disagree	15.38% 2
Strongly Disagree	0.00% 0
No Opinion	0.00% 0
Total	13

#	Comments:	Date
1	But there is a difference between identifying and addressing them.	8/25/2015 11:08 AM

Q7 I feel comfortable openly disagreeing with others in board meetings.

Answered: 14 Skipped: 0

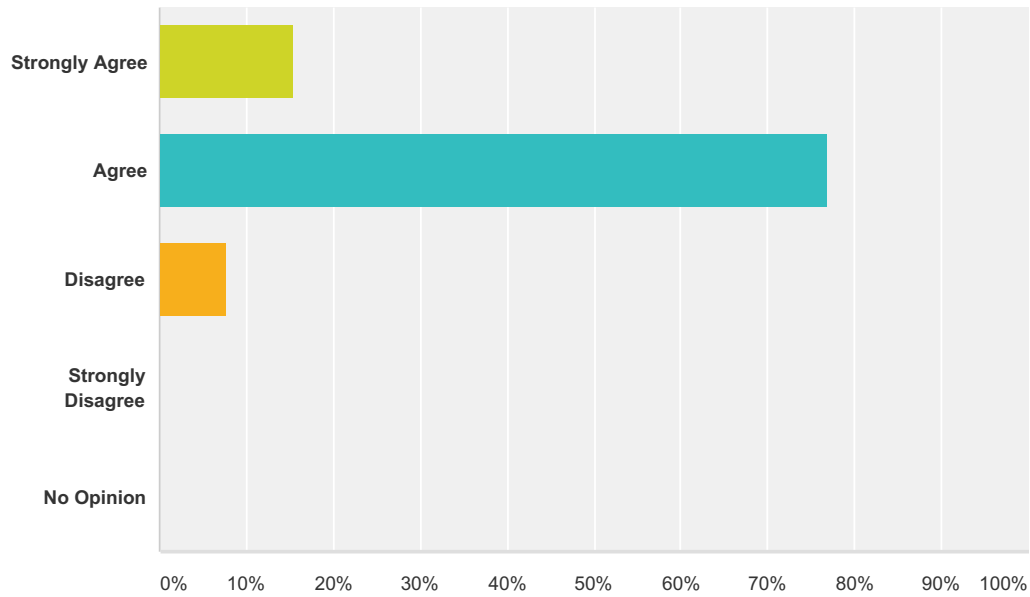


Answer Choices	Responses
Strongly Agree	35.71% 5
Agree	57.14% 8
Disagree	7.14% 1
Strongly Disagree	0.00% 0
No Opinion	0.00% 0
Total	14

#	Comments:	Date
1	Not easy but the culture is conducive to it.	8/25/2015 11:08 AM

Q8 At our board meetings, there is at least as much dialogue among members as there is between members and administrators.

Answered: 13 Skipped: 1

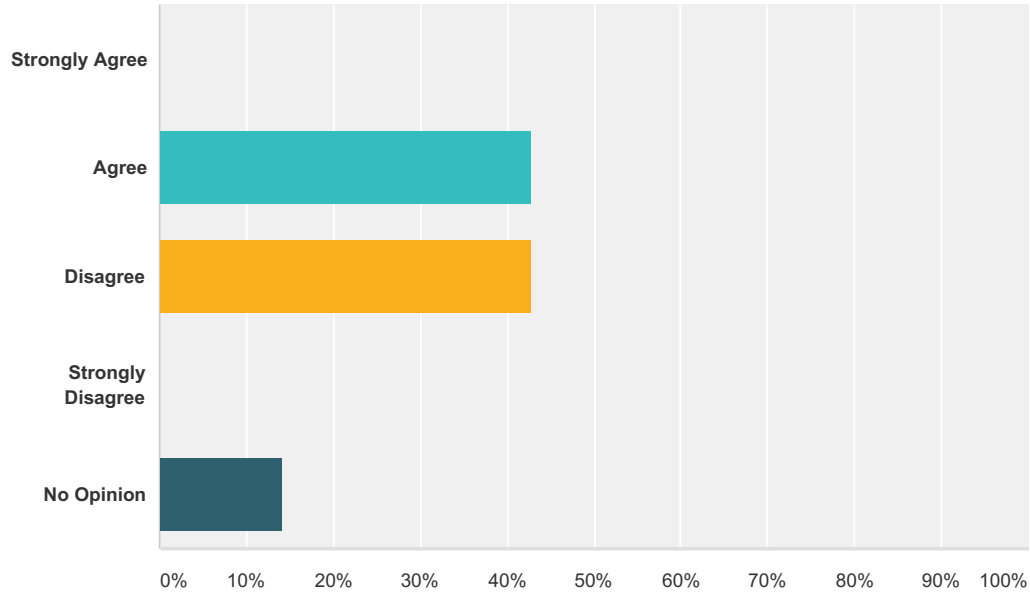


Answer Choices	Responses	
Strongly Agree	15.38%	2
Agree	76.92%	10
Disagree	7.69%	1
Strongly Disagree	0.00%	0
No Opinion	0.00%	0
Total		13

#	Comments:	Date
1	But there is inadequate dialogue among members and inadequate dialogue between members and administrators. Except for times when members eat, the meetings are very business oriented with little time to dialogue.	9/3/2015 9:18 AM
2	Generally agree.	8/25/2015 11:08 AM

Q9 This board has adopted some explicit goals for itself, distinct from goals it has for the total organization.

Answered: 14 Skipped: 0

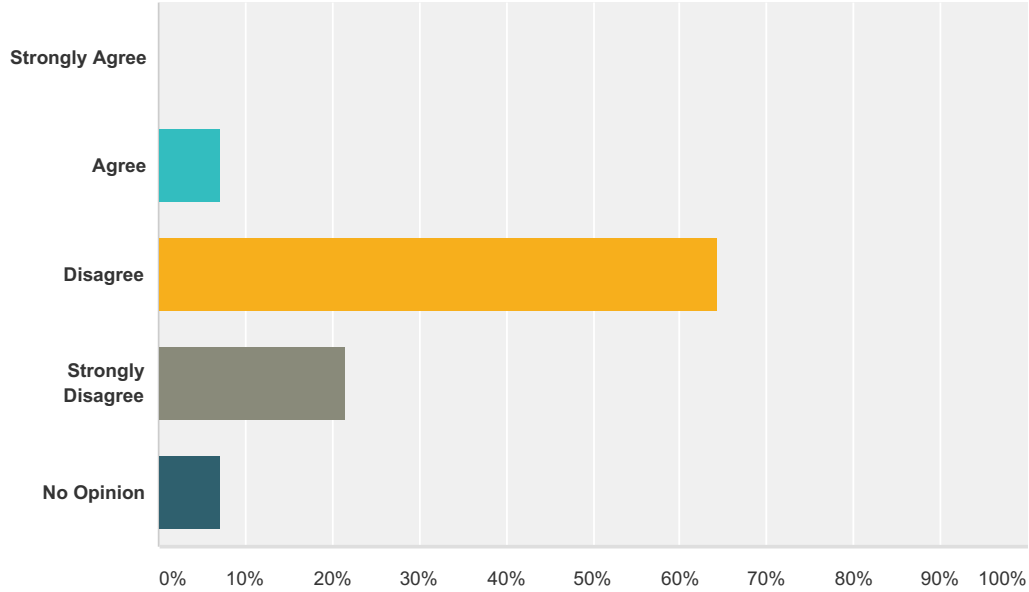


Answer Choices	Responses
Strongly Agree	0.00% 0
Agree	42.86% 6
Disagree	42.86% 6
Strongly Disagree	0.00% 0
No Opinion	14.29% 2
Total	14

#	Comments:	Date
1	If the Board has done so, I am unaware of the goals for itself. Furthermore, the Board as presently constituted has not adopted goals for the total organization, that I'm aware of.	9/3/2015 9:18 AM
2	Not really.	8/30/2015 2:29 PM
3	Too soon for me to tell.	8/25/2015 11:08 AM
4	I think the long range planning committee is helping with this.	8/20/2015 4:29 PM

Q10 This Board is dominated by one or more members who feel they have more “power” than others.

Answered: 14 Skipped: 0

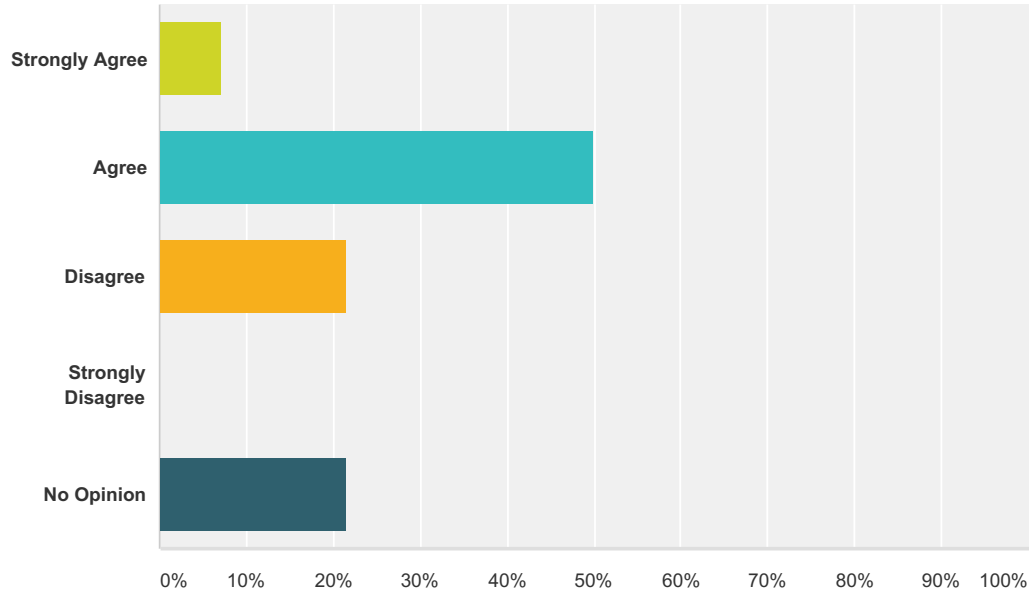


Answer Choices	Responses
Strongly Agree	0.00% 0
Agree	7.14% 1
Disagree	64.29% 9
Strongly Disagree	21.43% 3
No Opinion	7.14% 1
Total	14

#	Comments:	Date
1	sometimes	9/4/2015 11:05 AM
2	depends on issue	9/3/2015 3:47 PM
3	Some members speak more than others, but this is not a power issue.	8/20/2015 4:29 PM

Q11 I have participated in board discussions about what we can learn from a mistake we have made.

Answered: 14 Skipped: 0

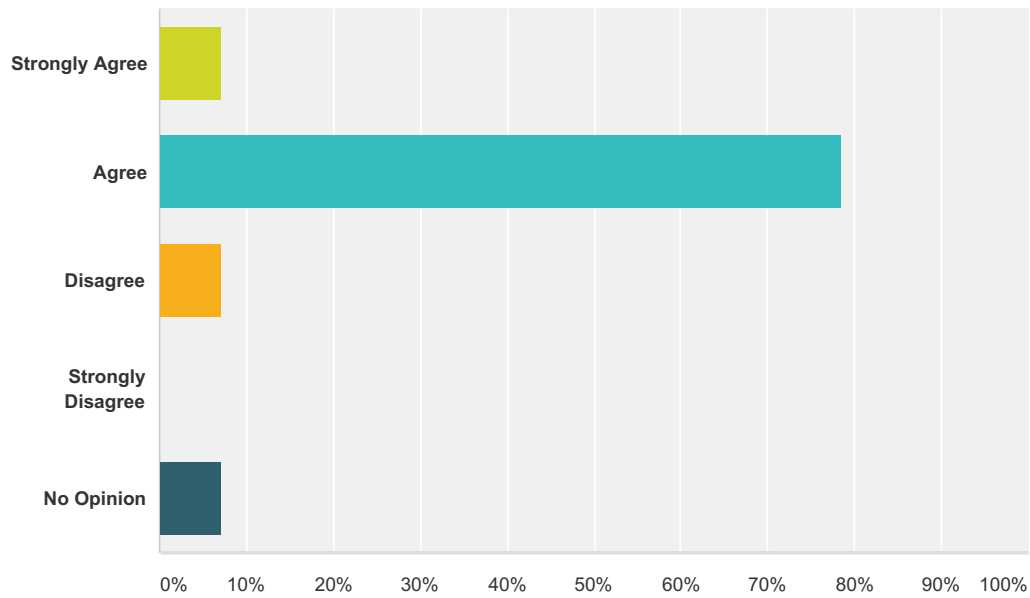


Answer Choices	Responses	
Strongly Agree	7.14%	1
Agree	50.00%	7
Disagree	21.43%	3
Strongly Disagree	0.00%	0
No Opinion	21.43%	3
Total		14

#	Comments:	Date
1	need to do this more often	9/4/2015 11:05 AM
2	Not yet.	8/25/2015 11:08 AM
3	I don't recall specific discussions, but would look forward to them.	8/20/2015 4:29 PM

Q12 The focus at board meetings effectively balances short and long term concerns.

Answered: 14 Skipped: 0

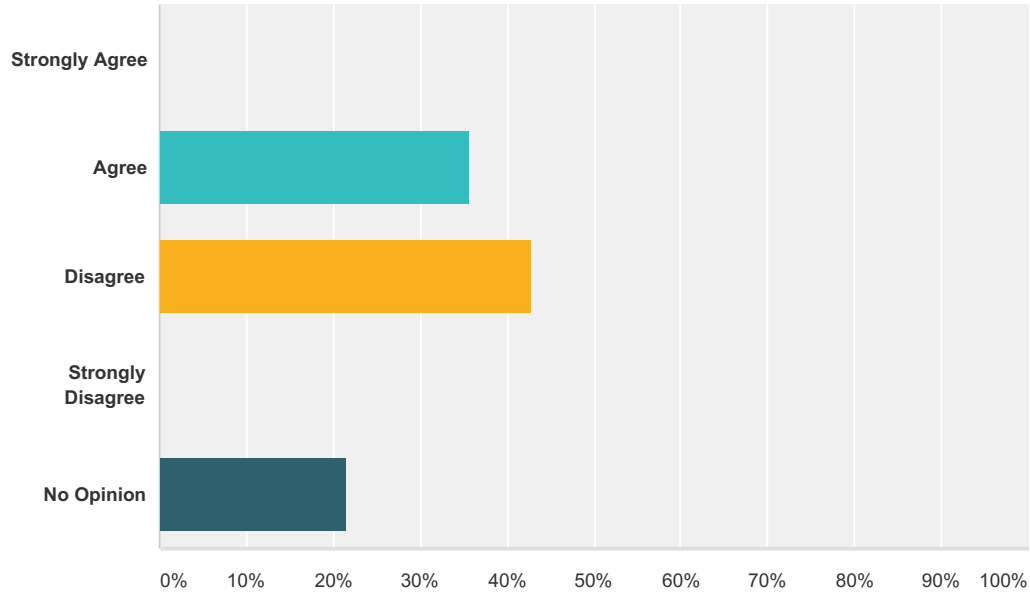


Answer Choices	Responses
Strongly Agree	7.14% 1
Agree	78.57% 11
Disagree	7.14% 1
Strongly Disagree	0.00% 0
No Opinion	7.14% 1
Total	14

#	Comments:	Date
1	Most Board meetings deal with short term concerns and potential or real crises with little time spent on long term concerns.	9/3/2015 9:18 AM
2	Generally agree.	8/25/2015 11:08 AM
3	We could do more with long term issues or concerns.	8/20/2015 4:29 PM

Q13 This board has on occasion evaded responsibility for some important issues facing the organization.

Answered: 14 Skipped: 0

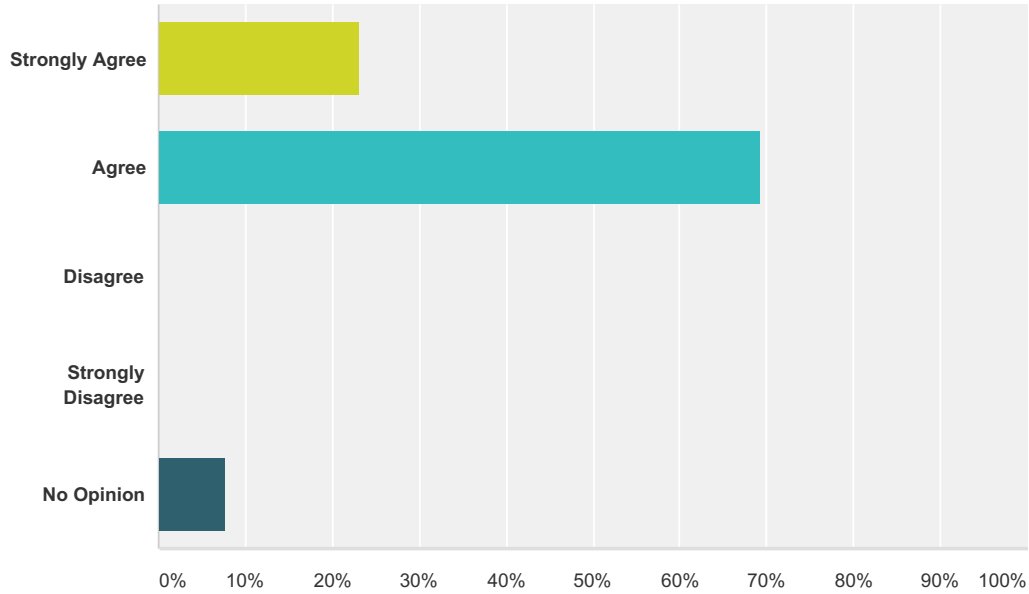


Answer Choices	Responses	
Strongly Agree	0.00%	0
Agree	35.71%	5
Disagree	42.86%	6
Strongly Disagree	0.00%	0
No Opinion	21.43%	3
Total		14

#	Comments:	Date
1	there are some important issues that the board doesn't address as fully as it should	9/4/2015 11:05 AM
2	Unaware of these so called "evasions."	9/3/2015 9:18 AM
3	Too soon to tell.	8/25/2015 11:08 AM
4	As with #12, we could spend more time on certain issues. It is not a question of avoidance, but getting bogged down with other issues so we don't spend as much time with the long term concerns.	8/20/2015 4:29 PM

Q14 Before reaching a decision on important issues, this board usually requests input from persons likely to be affected by the decision.

Answered: 13 Skipped: 1

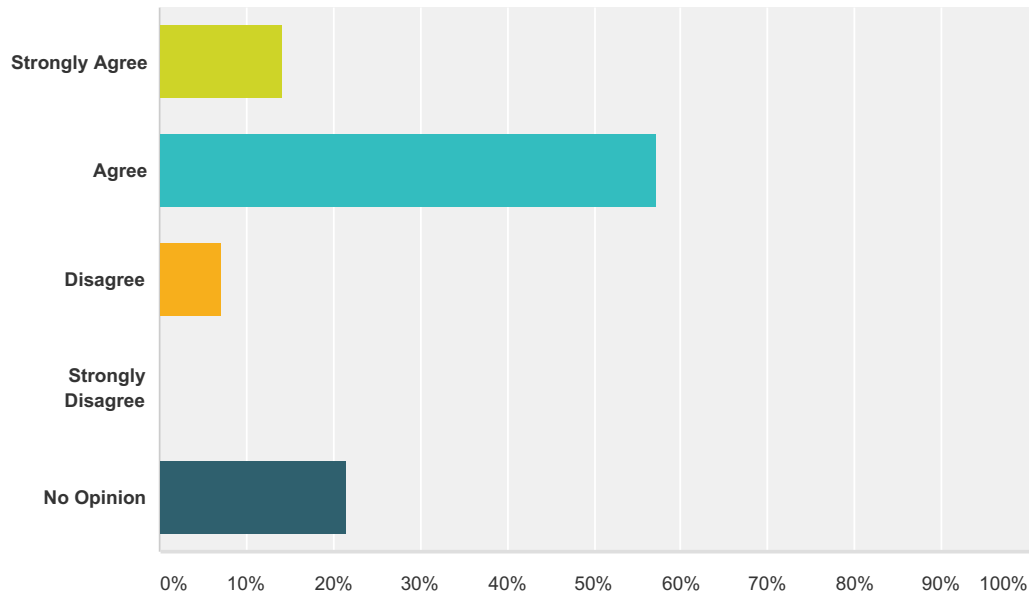


Answer Choices	Responses
Strongly Agree	23.08% 3
Agree	69.23% 9
Disagree	0.00% 0
Strongly Disagree	0.00% 0
No Opinion	7.69% 1
Total	13

#	Comments:	Date
1	sometimes	9/4/2015 11:05 AM

Q15 This Board has effective links with the legislature, business and other external constituents that can help our colleges.

Answered: 14 Skipped: 0

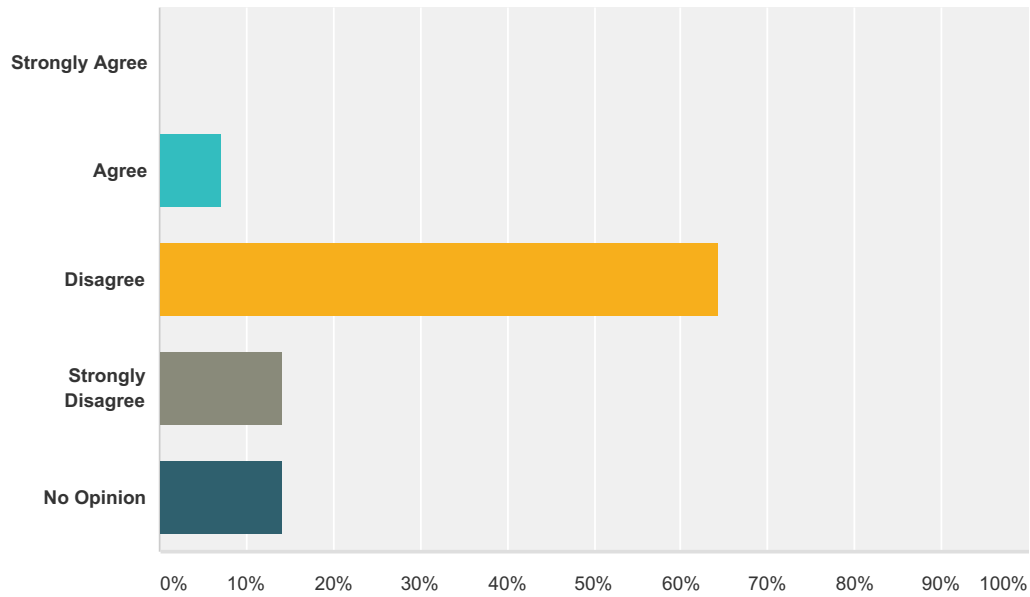


Answer Choices	Responses
Strongly Agree	14.29% 2
Agree	57.14% 8
Disagree	7.14% 1
Strongly Disagree	0.00% 0
No Opinion	21.43% 3
Total	14

#	Comments:	Date
1	we have many links...are not always used to our best advantage.	9/3/2015 3:47 PM
2	We have links, but they have not been effective in helping our colleges. With the funding from the state falling from 50% to 18% since the 1980s, it is proof that we need more from our links.	9/3/2015 9:18 AM
3	I'm hesitant to say we have strong links to businesses pat this time.	9/1/2015 12:47 PM
4	Room for improvement in relationships with local sending high schools and tech centers.	8/13/2015 1:34 PM

Q16 There have been occasions where the board itself has acted in ways inconsistent with the organization's deepest values.

Answered: 14 Skipped: 0

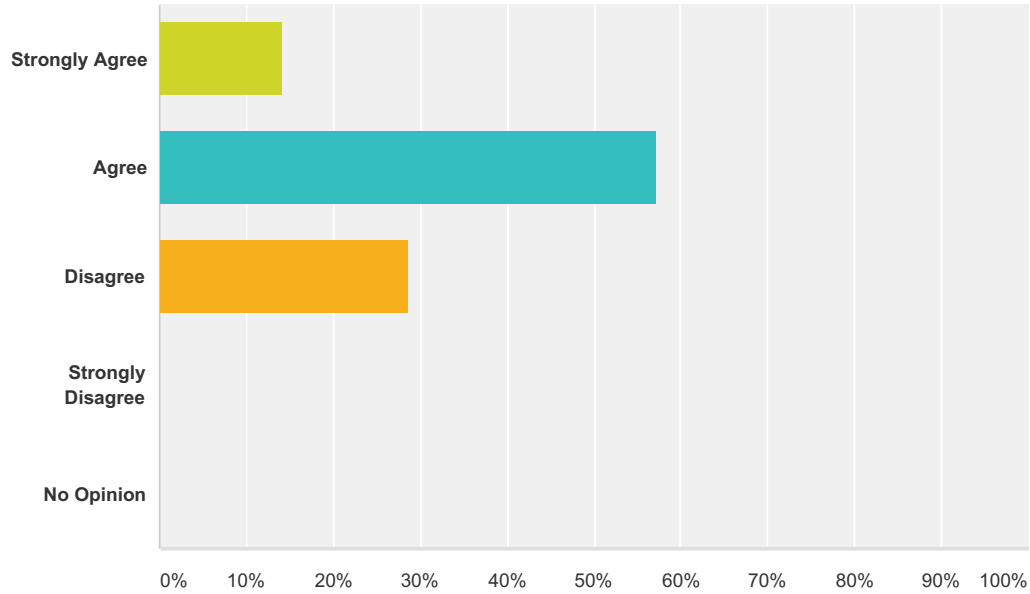


Answer Choices	Responses
Strongly Agree	0.00% 0
Agree	7.14% 1
Disagree	64.29% 9
Strongly Disagree	14.29% 2
No Opinion	14.29% 2
Total	14

#	Comments:	Date
1	Not aware of any of those occasions.	9/3/2015 9:18 AM
2	Not to my knowledge.	8/25/2015 11:08 AM

Q17 This board often discusses where the organization should be headed five or more years into the future.

Answered: 14 Skipped: 0

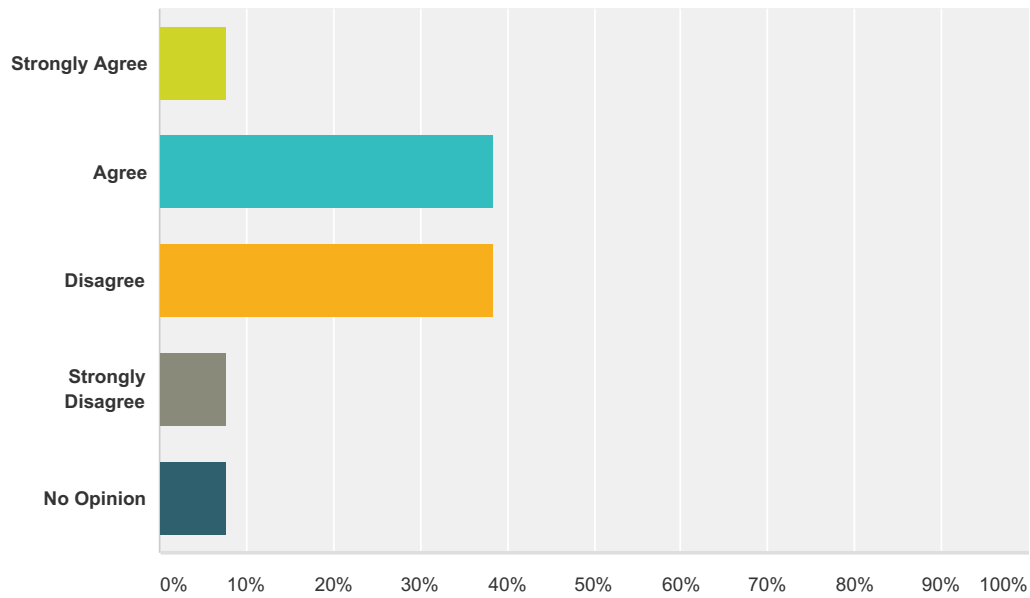


Answer Choices	Responses	
Strongly Agree	14.29%	2
Agree	57.14%	8
Disagree	28.57%	4
Strongly Disagree	0.00%	0
No Opinion	0.00%	0
Total		14

#	Comments:	Date
1	This should get more attention from the board	9/4/2015 11:05 AM
2	Not so. Most discussion concerns the next semester and the next year.	9/3/2015 9:18 AM
3	We could do more of this.	8/20/2015 4:29 PM
4	We have discussed it but I would not say often.	8/16/2015 5:57 PM

Q18 Other board members have important information that I lack on key issues.

Answered: 13 Skipped: 1

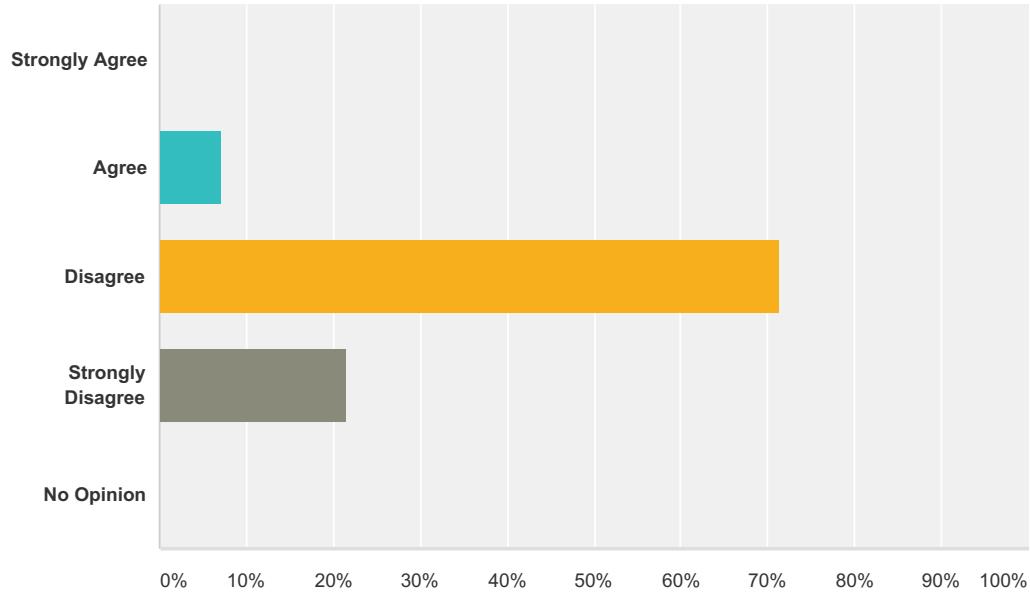


Answer Choices	Responses
Strongly Agree	7.69% 1
Agree	38.46% 5
Disagree	38.46% 5
Strongly Disagree	7.69% 1
No Opinion	7.69% 1
Total	13

#	Comments:	Date
1	Yes, at least from time to time. However, those with more knowledge and experience are willing to share it.	9/1/2015 12:47 PM
2	Perhaps this is inevitable, but Ex Comm members often appear to make the really important decisions.	8/30/2015 2:29 PM
3	It's inevitable with such a broadly experienced and engaged board.	8/25/2015 11:08 AM
4	If I need that information, I know who to talk to.	8/20/2015 4:29 PM

Q19 This Board often gets involved in the details of college operations in a way that is inappropriate.

Answered: 14 Skipped: 0

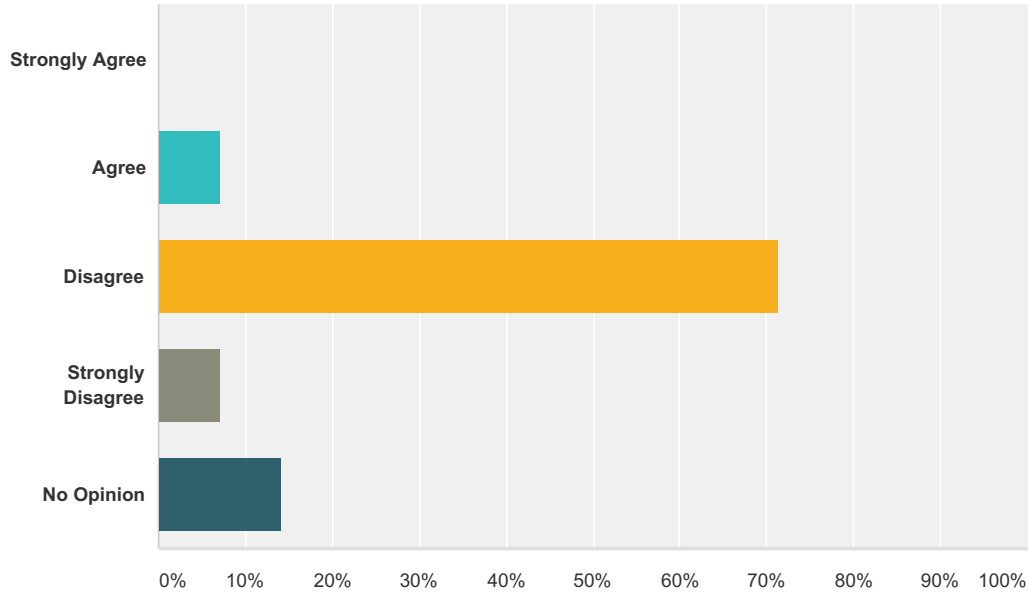


Answer Choices	Responses	
Strongly Agree	0.00%	0
Agree	7.14%	1
Disagree	71.43%	10
Strongly Disagree	21.43%	3
No Opinion	0.00%	0
Total		14

#	Comments:	Date
1	Better now than in the past several years. I wouldn't say 'often' but occasionally.	8/30/2015 2:29 PM
2	Often, may be too strong a word. Some trustees take their concern for the colleges to the point that some might consider micromanagement. I feel they have good intentions, but we need to let the presidents do their jobs and run the colleges.	8/20/2015 4:29 PM
3	A few board members seem to want to micromanage the colleges, or some functions at the colleges	8/13/2015 1:34 PM

Q20 Recommendations from the administration are usually accepted with little questioning in board and committee meetings.

Answered: 14 Skipped: 0

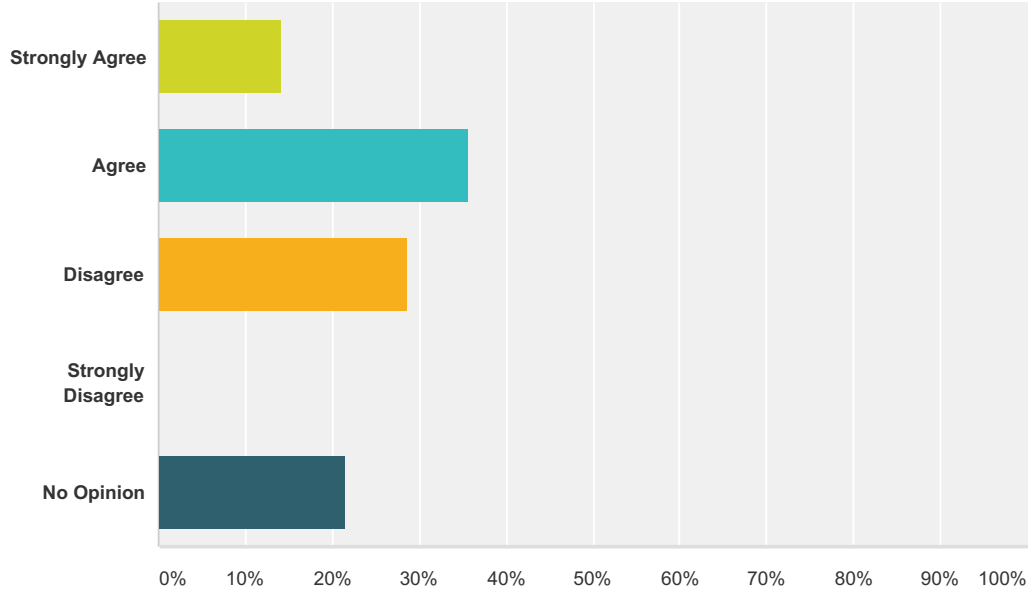


Answer Choices	Responses
Strongly Agree	0.00% 0
Agree	7.14% 1
Disagree	71.43% 10
Strongly Disagree	7.14% 1
No Opinion	14.29% 2
Total	14

#	Comments:	Date
1	The recommendations may eventually be accepted but not before thorough questioning and examination in board and committee meetings.	9/3/2015 9:18 AM
2	There is often questioning at the committee meetings.	8/20/2015 4:29 PM

Q21 This board has conducted an explicit examination of its roles and responsibilities.

Answered: 14 Skipped: 0

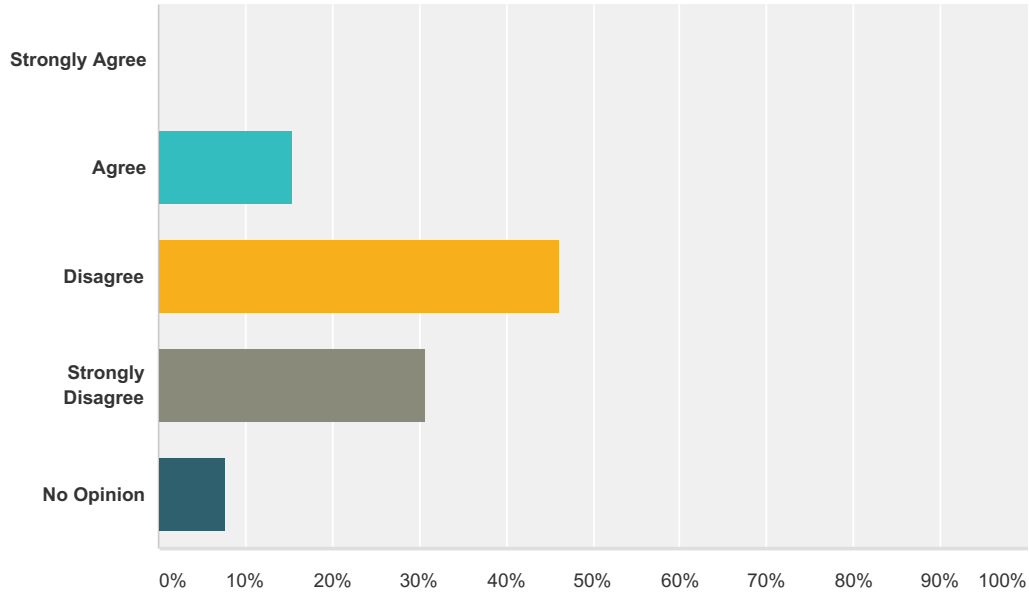


Answer Choices	Responses	
Strongly Agree	14.29%	2
Agree	35.71%	5
Disagree	28.57%	4
Strongly Disagree	0.00%	0
No Opinion	21.43%	3
Total		14

#	Comments:	Date
1	Could do more.	8/30/2015 2:29 PM
2	in the process of that task now	8/25/2015 12:46 PM
3	Some done. Too soon to tell if enough.	8/25/2015 11:08 AM
4	We are in the process of doing this. It should be an ongoing process.	8/20/2015 4:29 PM
5	Always room for improvement in this area	8/13/2015 1:34 PM

Q22 Important communications and decision-making on this Board often occur in a “back room” where only select members are present.

Answered: 13 Skipped: 1

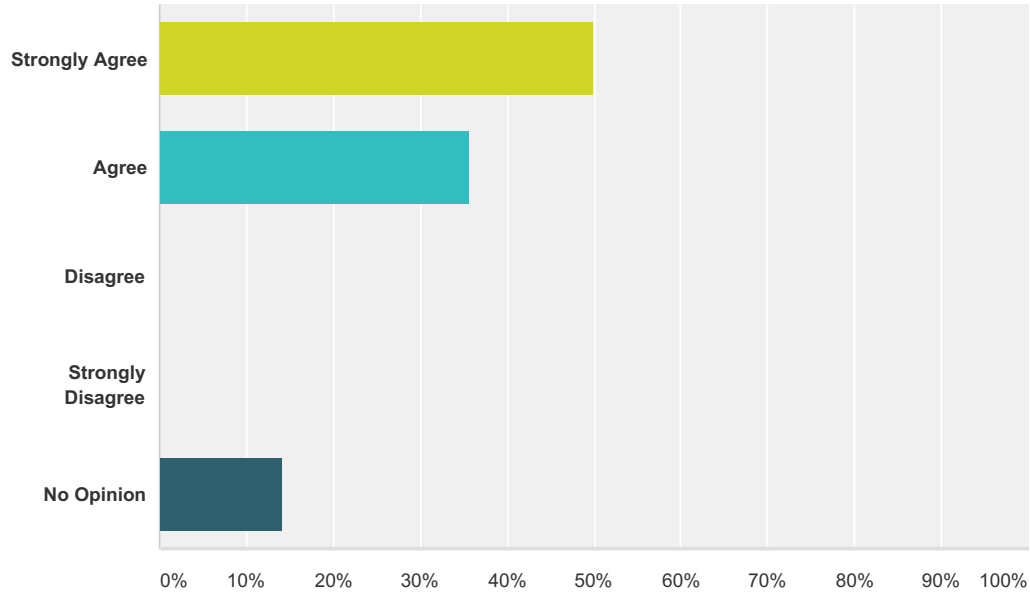


Answer Choices	Responses
Strongly Agree	0.00% 0
Agree	15.38% 2
Disagree	46.15% 6
Strongly Disagree	30.77% 4
No Opinion	7.69% 1
Total	13

#	Comments:	Date
1	sometimes	9/4/2015 11:05 AM
2	The language of this statement seems harsh, but see comment about role of Ex Comm.	8/30/2015 2:29 PM
3	as evident w/ more executive meetings	8/25/2015 12:46 PM
4	I may not go to all committee meetings, but it know I am welcome at them.	8/20/2015 4:29 PM

Q23 I am able to speak my mind on key issues without fear that I will be ostracized by some members of this board.

Answered: 14 Skipped: 0

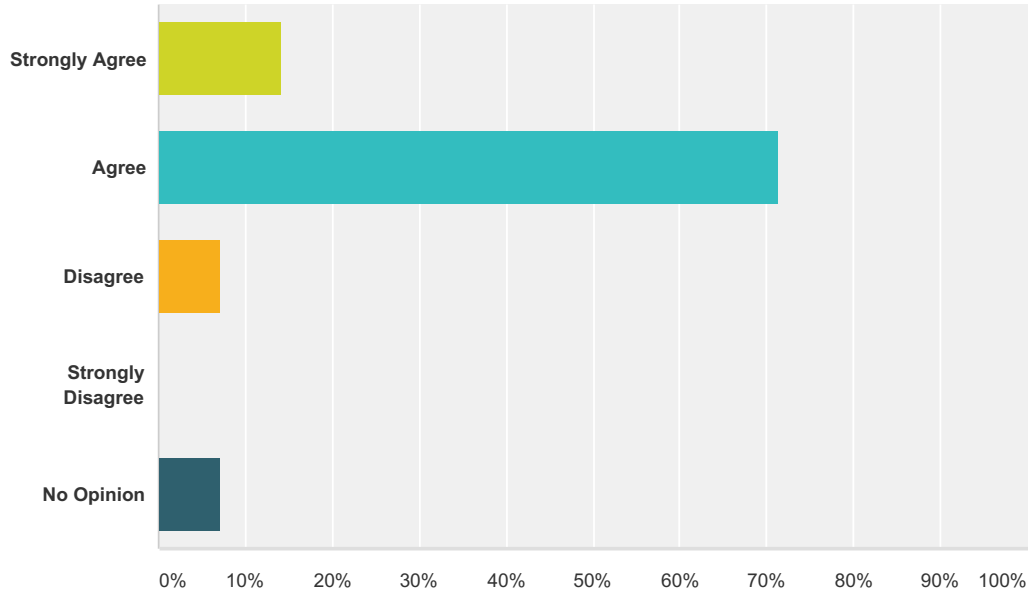


Answer Choices	Responses	
Strongly Agree	50.00%	7
Agree	35.71%	5
Disagree	0.00%	0
Strongly Disagree	0.00%	0
No Opinion	14.29%	2
Total		14

#	Comments:	Date
	There are no responses.	

Q24 I have been in board meetings where the discussion focused on identifying or overcoming the organization's weaknesses.

Answered: 14 Skipped: 0

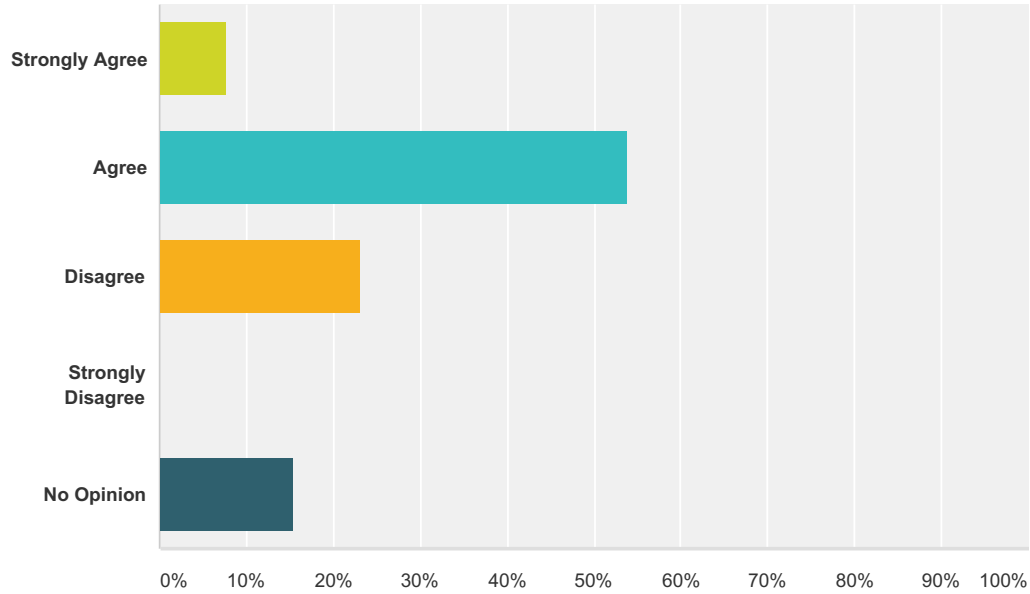


Answer Choices	Responses
Strongly Agree	14.29% 2
Agree	71.43% 10
Disagree	7.14% 1
Strongly Disagree	0.00% 0
No Opinion	7.14% 1
Total	14

#	Comments:	Date
1	But most of this occurs at the annual retreat.	9/3/2015 9:18 AM
2	Need to do more.	8/25/2015 11:08 AM

Q25 This board seeks information and advice from leaders of other similar organizations.

Answered: 13 Skipped: 1

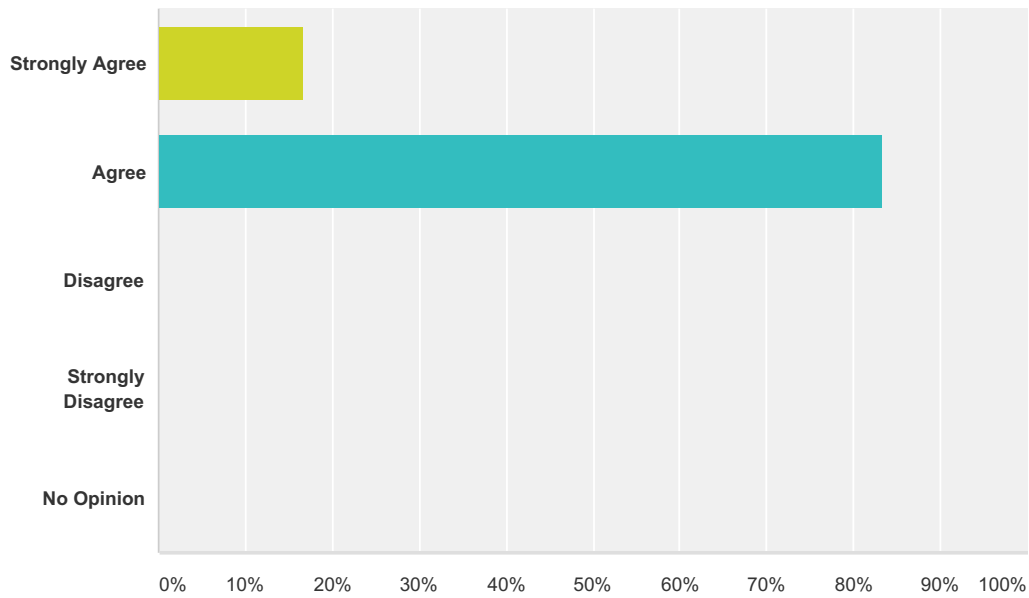


Answer Choices	Responses	
Strongly Agree	7.69%	1
Agree	53.85%	7
Disagree	23.08%	3
Strongly Disagree	0.00%	0
No Opinion	15.38%	2
Total		13

#	Comments:	Date
1	not enough	9/3/2015 3:47 PM
2	Sometimes; more so under the new Chancellor.	9/3/2015 9:18 AM
3	Unsure.	8/30/2015 2:29 PM
4	Could do more.	8/25/2015 11:08 AM

Q26 This board considers long range priorities in dealing with current issues.

Answered: 12 Skipped: 2

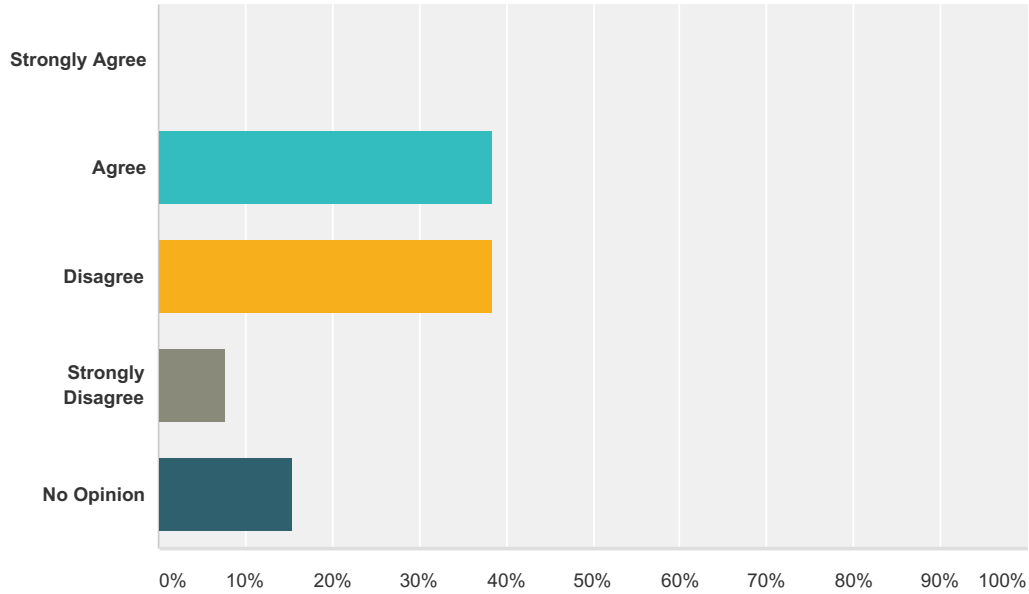


Answer Choices	Responses	
Strongly Agree	16.67%	2
Agree	83.33%	10
Disagree	0.00%	0
Strongly Disagree	0.00%	0
No Opinion	0.00%	0
Total		12

#	Comments:	Date
1	sometimes	9/4/2015 11:05 AM
2	not enough	9/3/2015 3:47 PM
3	Just beginning to.	9/3/2015 9:18 AM
4	We discuss long range but don't necessarily link it to dealing with current issues.	8/16/2015 5:57 PM

Q27 More than half of this board's time is spent in discussions of issues of importance to the organization's long-range future.

Answered: 13 Skipped: 1

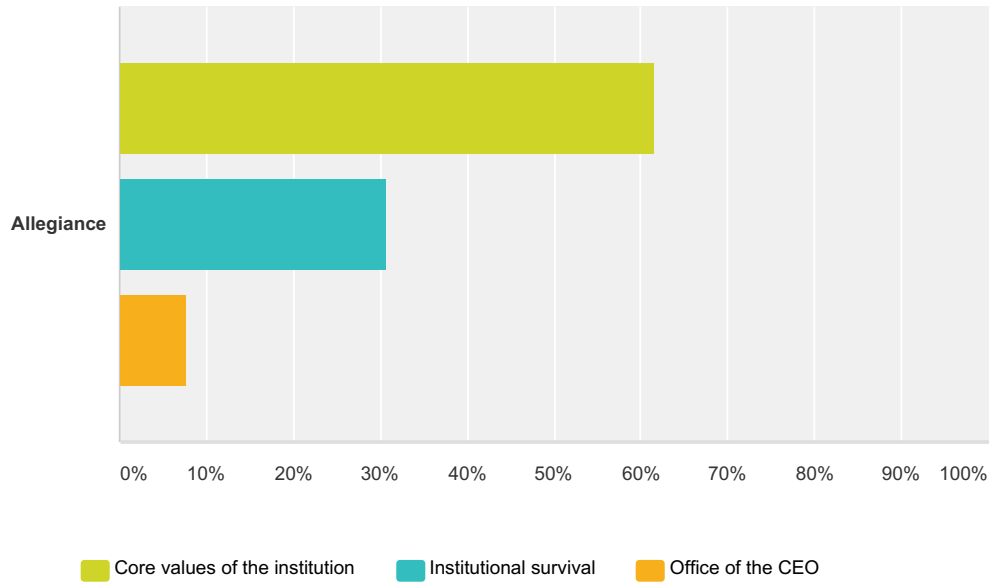


Answer Choices	Responses
Strongly Agree	0.00% 0
Agree	38.46% 5
Disagree	38.46% 5
Strongly Disagree	7.69% 1
No Opinion	15.38% 2
Total	13

#	Comments:	Date
1	need to be more focused in this regard	9/3/2015 3:47 PM
2	Agree if one considers dealing with financial and enrollment issues are critical to the organization's long-term future.	9/3/2015 9:18 AM
3	Not half, but a substantial share of time.	8/25/2015 11:08 AM

Q28 Allegiance

Answered: 13 Skipped: 1

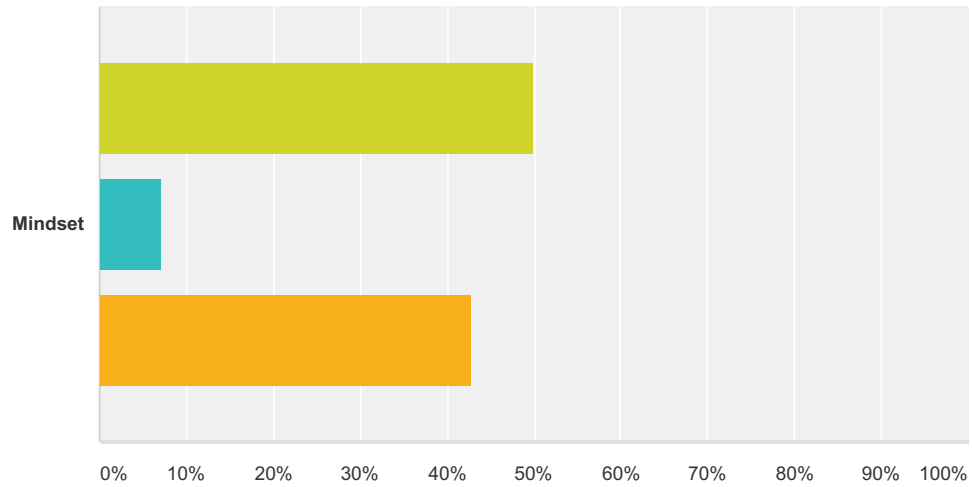


	Core values of the institution	Institutional survival	Office of the CEO	Total
Allegiance	61.54% 8	30.77% 4	7.69% 1	13

#	Comments:	Date
1	Quite unclear question.	8/30/2015 2:32 PM

Q29 Mindset

Answered: 14 Skipped: 0



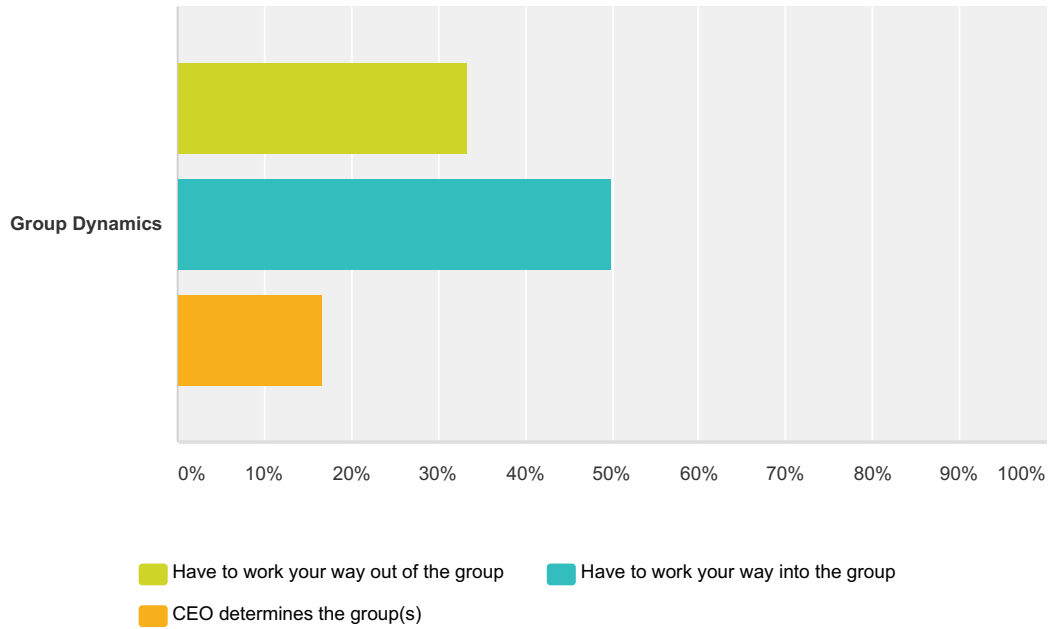
- Let's find and solve problems together
- A few of us know what to do and how to do it
- What does the CEO want to do and how can I help?

	Let's find and solve problems together	A few of us know what to do and how to do it	What does the CEO want to do and how can I help?	Total
Mindset	50.00% 7	7.14% 1	42.86% 6	14

#	Comments:	Date
	There are no responses.	

Q30 Group Dynamics

Answered: 12 Skipped: 2

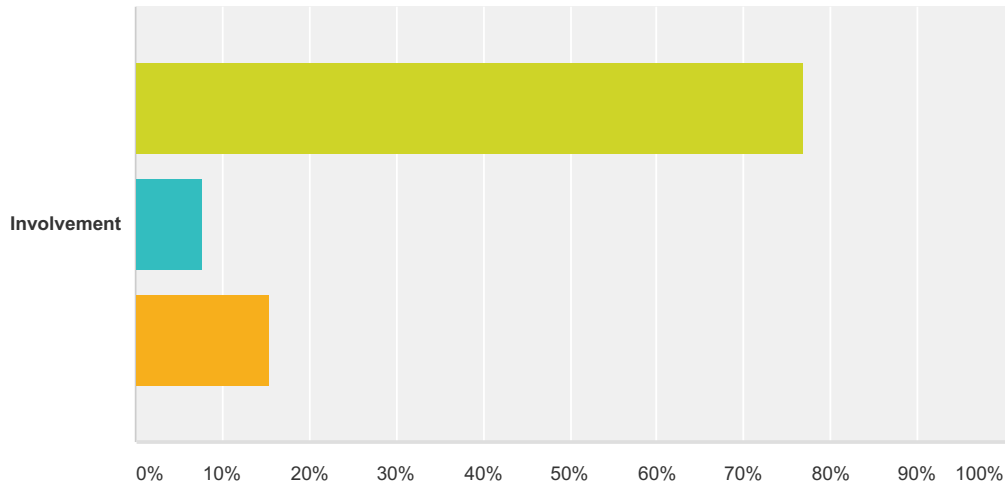


	Have to work your way out of the group	Have to work your way into the group	CEO determines the group(s)	Total
Group Dynamics	33.33% 4	50.00% 6	16.67% 2	12

#	Comments:	Date
1	I don't think the answers fit the question. I think group dynamics are pretty good.	9/1/2015 12:55 PM
2	A mix.	8/30/2015 2:32 PM
3	Board members do have to be pro-active and show up to be a productive force..	8/13/2015 1:38 PM

Q31 Involvement

Answered: 13 Skipped: 1



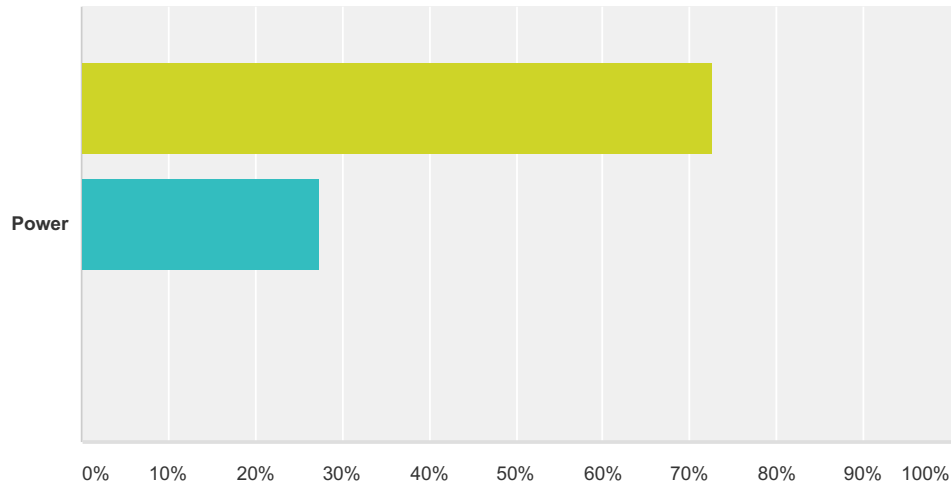
- Involve everyone, match talents to needs
- Race belongs to the swiftest; power blocks compete
- Task-specific as "anointed" by the CEO

	Involve everyone, match talents to needs	Race belongs to the swiftest; power blocks compete	Task-specific as "anointed" by the CEO	Total
Involvement	76.92% 10	7.69% 1	15.38% 2	13

#	Comments:	Date
1	first and third	9/3/2015 6:11 PM

Q32 Power

Answered: 11 Skipped: 3



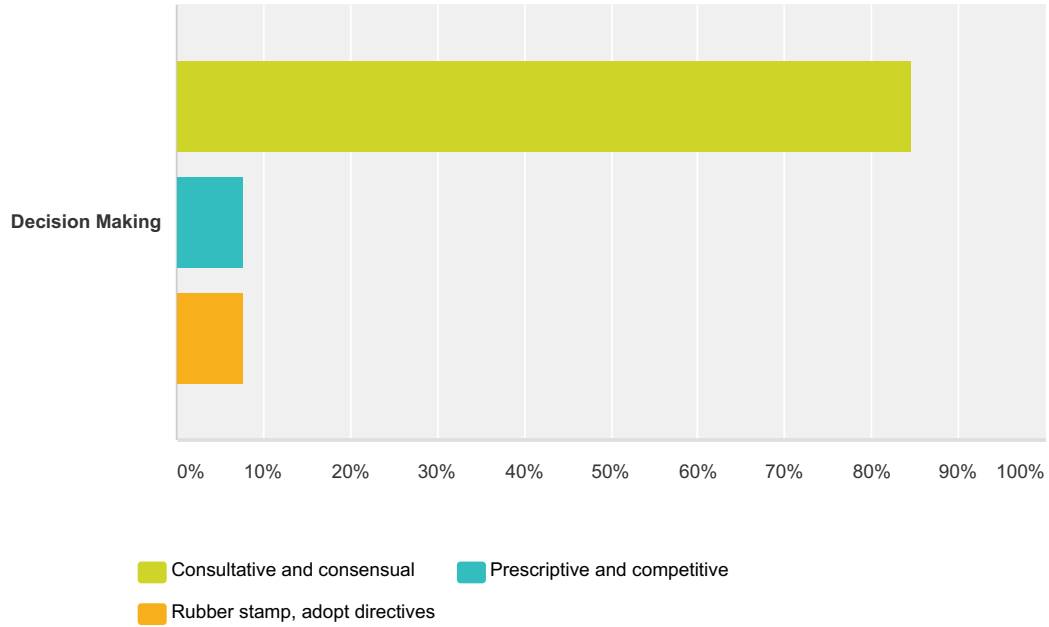
- Broadly distributed, empowered by group
- Centered in a small group, empowered by inner circle
- Reflected power from CEO, trustees are spear carriers

	Broadly distributed, empowered by group	Centered in a small group, empowered by inner circle	Reflected power from CEO, trustees are spear carriers	Total
Power	72.73% 8	27.27% 3	0.00% 0	11

#	Comments:	Date
1	A little of each...	9/3/2015 6:11 PM
2	Some of both: broadly distributed, and centered in a small group.	9/3/2015 9:21 AM
3	Pretty good, but not perfect.the	9/1/2015 12:55 PM

Q33 Decision Making

Answered: 13 Skipped: 1

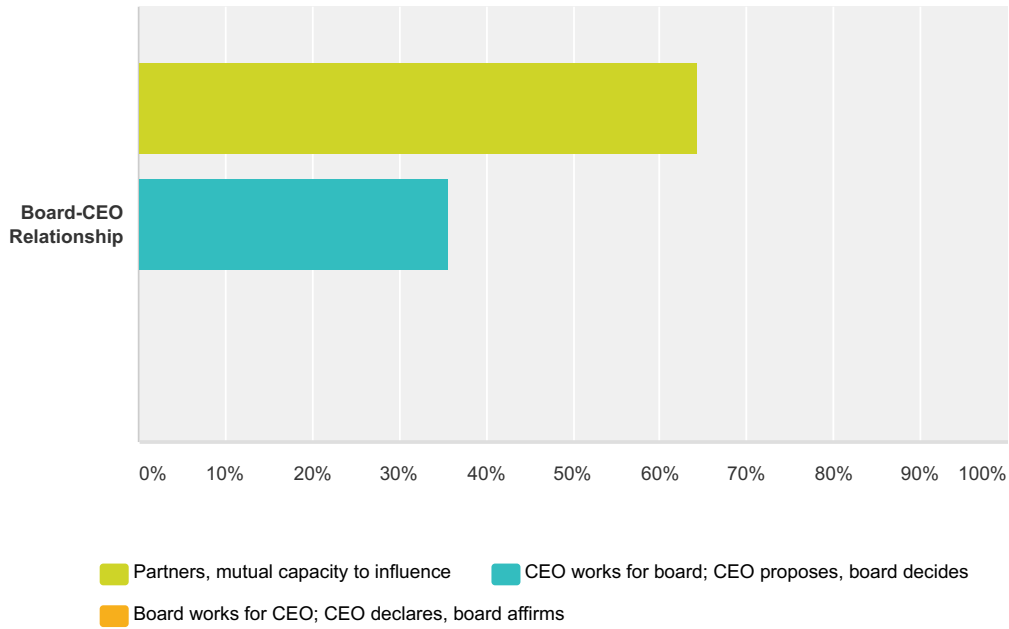


	Consultative and consensual	Prescriptive and competitive	Rubber stamp, adopt directives	Total
Decision Making	84.62% 11	7.69% 1	7.69% 1	13

#	Comments:	Date
1	better than in the past when it was more of a rubber stamp procedure	9/4/2015 11:08 AM
2	consensual and adopt directives	9/3/2015 6:11 PM

Q34 Board-CEO Relationship

Answered: 14 Skipped: 0

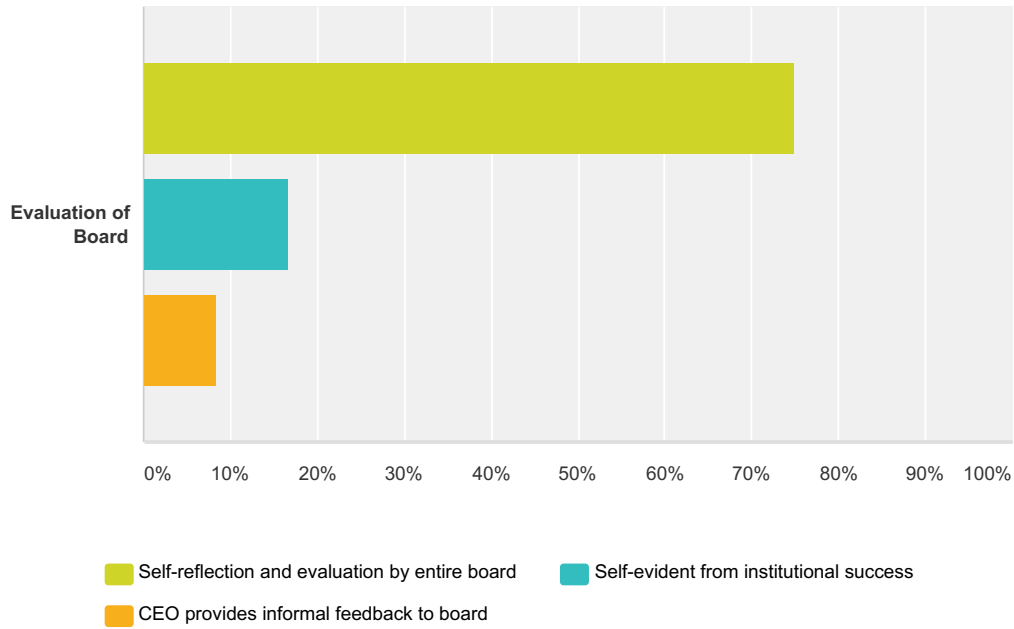


	Partners, mutual capacity to influence	CEO works for board; CEO proposes, board decides	Board works for CEO; CEO declares, board affirms	Total
Board-CEO Relationship	64.29% 9	35.71% 5	0.00% 0	14

#	Comments:	Date
1	But moving to A	9/3/2015 9:21 AM
2	The chancellor works for the board but gets high marks for collaboration.	9/1/2015 12:55 PM

Q35 Evaluation of Board

Answered: 12 Skipped: 2



	Self-reflection and evaluation by entire board	Self-evident from institutional success	CEO provides informal feedback to board	Total
Evaluation of Board	75.00% 9	16.67% 2	8.33% 1	12

#	Comments:	Date
1	Or lack thereof. The Board is in transition; positive transition. And the new Chancellor has a lot to do with the Board transitioning to new inclusion and effectiveness.	9/3/2015 9:21 AM
2	There is truth in both the first and third response.	9/1/2015 12:55 PM
3	Unclear statements.	8/30/2015 2:32 PM

VSC Board of Trustees 2015 Self-Assessment Survey
Please respond by August 31, 2015

Q36 List below what you believe the Board priorities for the coming year should be:

Answered: 14 Skipped: 0

#	Responses	Date
1	Finance matters	9/8/2015 6:43 AM
2	contingency planning better information gathering for board on issues before we vote strategic planning for future, whatever it may bring	9/4/2015 11:13 AM
3	-Name system -Evaluate current VSC role in Vermont...education, health care, manufacturing, agriculture...get hard numbers of VSC grads in various sectors; VSC program support, ie workforce development...how important are we to Vermont? Do our programs match needs of state in each area? -Considering current and projected Vermont demographics and the financial implications thereof, evaluate the current VSC delivery model (use of places and people)...can we do a better job for people if we consolidate programs and rethink delivery? Broaden and deepen partnerships PreK-16? Partnerships with private higher ed? Partnerships with business?	9/3/2015 6:54 PM
4	Beginning to chart our way toward an institutional survival that is built around more high school graduates attending our institutions in an affordable way. A priority should include survival of all the colleges if possible, but it is not the top priority.	9/3/2015 9:26 AM
5	In addition to everyone else's answers, I'd like to know if the issue that led to the suspension of two LSC professors is being effectively addressed campus wide and whether the issue is a problem on other campuses.	9/1/2015 12:59 PM
6	1. Creating more connections between the individual colleges to help strengthen not only the system as a whole but each unique college. 2. Work in collaboration between the colleges to help foster individual traits and niche programs best suited to each school. 3. Using Castleton University as a model, facilitate discussion on future re-branding and revitalization programs at each college. 4. Work to show Vermont's graduating high school seniors the value and affordability of going to a college within the VSC. 5. Further exploration in acquiring more money from the legislature and outside beneficiaries.	8/30/2015 9:39 PM
7	Access to VSC for VT students.	8/30/2015 2:33 PM
8	financial short falls, declining enrollment, post retirement obligations, board team building	8/25/2015 12:51 PM
9	Enrollment growth Solvency Improved operational efficiency (administrative and academic) Student centeredness (bring the value of 5 colleges to every student)	8/25/2015 11:13 AM
10	1) college affordability 2) focus on who will be and should be the next generation of VSC students and implementing policies to work toward these ends 3) establish stronger ties to the Vermont business / entrepreneurial communities	8/25/2015 8:52 AM
11	Financial stability Enrollment	8/21/2015 2:30 PM
12	Long range planning for the VSC and the schools. Tuition and control of costs.	8/20/2015 4:33 PM
13	Long range planning Use performance indicators in decision making	8/16/2015 6:06 PM
14	Continuing the progress of positioning for the future by examining the system name and roles of member institutions Working toward financial stability and sustainability Focusing on institutions with lower enrollment trends Cost-consciousness at institutions--how can we work smarter and continue to provide quality programs? Support innovative efforts by presidents at all schools; value our hard-working staff and employees.	8/13/2015 1:45 PM

Q37 What is the single most important responsibility of the Board?

Answered: 14 Skipped: 0

#	Responses	Date
1	Finance matters	9/8/2015 6:43 AM
2	The major responsibility of the Board is the financial and educational health of the institutions as we move forward into the next five years; therefore, the need for contingency planning to meet this responsibility.	9/4/2015 11:13 AM
3	Listen, learn, promote, cooperate, collaborate, challenge...share contacts and make contacts in the interest and promotion of the VSC mission.	9/3/2015 6:54 PM
4	To fulfill a truly fiduciary role to the system; to present and future students first and faculty and staff as well, but not first. The first responsibility is to the students.	9/3/2015 9:26 AM
5	I'm not very adept at providing single answers to complex questions. Carry on is the best answer I have for today.	9/1/2015 12:59 PM
6	To foster collaboration among the individual colleges in order become a stronger system that provides Vermonters with a path to accessible higher education.	8/30/2015 9:39 PM
7	Hiring and evaluation of CEO.	8/30/2015 2:33 PM
8	financial stability	8/25/2015 12:51 PM
9	Mission stewardship	8/25/2015 11:13 AM
10	Charting a successful vision and sustainable future for the organization.	8/25/2015 8:52 AM
11	Accountability to the mission of the VSC.	8/21/2015 2:30 PM
12	To serve the students of Vermont.	8/20/2015 4:33 PM
13	To ask questions of management so that decisions are well vetted	8/16/2015 6:06 PM
14	Making sure the core mission of providing educational opportunities for all Vermont students is maintained and enhanced.	8/13/2015 1:45 PM

Vermont State Colleges Board of Trustees

Self-Assessment Questionnaire

A key action item for “repositioning” is to establish performance indicators for all units of the VSC. This survey will help us determine possible directions for Board development.

Effectiveness

Please mark with a check (✓) the choice which most accurately describes your experience as a member of th

1. This board takes regular steps to keep informed about important trends in the larger environment that might affect the organization.

	2000	2001	2008	2010	2012	2015
Strongly Agree		2	2	1	1	3
Agree	4.5	7	7	12	11	9
Disagree	7.5	3	2		1	1
Strongly Disagree	1					
No Opinion				1		1
Left Blank			1			

2. I have been in board meetings where it seemed that the subtleties of the issues we dealt with escaped the awareness of some members. I feel comfortable asking for further explanation when I don't fully understand the subtleties of an issue being discussed at a board meeting. *(First question was asked 2000-2010; second question was asked 2012-2015.)*

	2000	2001	2008	2010	2012	2015
Strongly Agree	3	1	1		7	7
Agree	7	7	7	6	6	7
Disagree	2	3	2	6		
Strongly Disagree			1	1		
No Opinion		1	1	1		

3. Our board explicitly examines the “downside” or possible pitfalls of any important decision it is about to make.

	2000	2001	2008	2010	2012	2015
Strongly Agree		2	3	6	4	2
Agree	6	7	7	6	5	7
Disagree	5	3	1	1	2	3
Strongly Disagree	1		1	1		
No Opinion					1	2

4. I have ample knowledge about and understanding of the unique characteristics of each college.

	2000	2001	2008	2010	2012	2015
Strongly Agree		1		1	2	2
Agree	4	8	10	11	9	9
Disagree	7	3	1	2	1	3
Strongly Disagree	1					
No Opinion						
Left Blank			1			

5. This Board has effective means of communicating with all members of the VSC community, including Presidents, faculty, staff, and students.

	2000	2001	2008	2010	2012	2015
Strongly Agree	1	2	3	2	1	4
Agree	3	5	2	9	11	7
Disagree	6	5	4	2		2
Strongly Disagree	2					
No Opinion			2	1	1	1
Left Blank			1			

6. I find it easy to identify the key issues that this board faces.

	2000	2001	2008	2010	2012	2015
Strongly Agree	2	3	4	1	1	2
Agree	5	7	7	11	9	9
Disagree	4	2		2	1	2
Strongly Disagree	1					
No Opinion					1	
Left Blank			1			

7. I rarely disagree openly with other members in board meetings. I feel comfortable openly disagreeing with others in Board meetings. (First question was asked 2000-2010; second question was asked 2012-2015.)

	2000	2001	2008	2010	2012	2015
Strongly Agree					6	5
Agree	6	5	4	3	6	8
Disagree	5	7	7	9		1
Strongly Disagree	1		1	2		
No Opinion						

8. At our board meetings, there is at least as much dialogue among members as there is between members and administrators.

	2000	2001	2008	2010	2012	2015
Strongly Agree			4	2	4	2
Agree	4	11	4	9	5	10
Disagree	7	1	3	3	3	1
Strongly Disagree	1					
No Opinion						
Left Blank			1			

9. This board has adopted some explicit goals for itself, distinct from goals it has for the total organization.

	2000	2001	2008	2010	2012	2015
Strongly Agree		1	1	1	1	0
Agree	1	5	2	7	11	6
Disagree	6	4	8	5	0	6
Strongly Disagree	4		1		0	
No Opinion		2		1	1	2

10. This Board is dominated by one or more members who feel they have more “power” than others.

	2000	2001	2008	2010	2012	2015
Strongly Agree	2	3				
Agree	5	4	1	1		1
Disagree	3	5	9	8	5	9
Strongly Disagree	2	2	1	5	6	3
No Opinion		1			1	1
Left Blank			1			

11. I have participated in board discussions about what we can learn from a mistake we have made.

	2000	2001	2008	2010	2012	2015
Strongly Agree			1	1	2	1
Agree	7	5	7	8	4	7
Disagree	4	5	3	3	2	3
Strongly Disagree	1					
No Opinion		1	1	2	4	3

12. Our board meetings tend to focus more on current concerns than on preparing for the future. The focus at board meetings effectively balances short and long term concerns. (First question was asked 2000-2010; second question was asked 2012-2015.)

	2000	2001	2008	2010	2012	2015
Strongly Agree	1		1			1
Agree	3	3.5	6	5	10	11
Disagree	7	6.5	5	7	2	1
Strongly Disagree	1	2		2		
No Opinion						1

13. I have never received feedback on my performance as a member of this board. (Question discontinued after 2010)

	2000	2001	2008	2010
Strongly Agree	3	1	1	
Agree	3	4	7	4
Disagree	6	6	4	6
Strongly Disagree				2
No Opinion		1		2

14. It is apparent from the comments of some of our board members that they do not understand the mission of the organization very well. (Question discontinued after 2010)

	2000	2001	2008	2010
Strongly Agree				
Agree	3	4	2	
Disagree	8	4	8	11
Strongly Disagree	1	3	2	
No Opinion		1		3

15. This board has on occasion evaded responsibility for some important issues facing the organization.

	2000	2001	2008	2010	2012	2015
Strongly Agree	1	1				
Agree	7	5	5	6	2	5
Disagree	3	4	5	3	5	6
Strongly Disagree		2	2	4	4	
No Opinion				1	1	3

16. Before reaching a decision on important issues, this board usually requests input from persons likely to be affected by the decision.

	2000	2001	2008	2010	2012	2015
Strongly Agree	1	2	2	1	1	3
Agree	7	6.5	9	12	10	9
Disagree	3	1.5	1	1		
Strongly Disagree						
No Opinion		2			1	1

17. This Board has effective links with the legislature, business and other external constituents that can help our colleges.

	2000	2001	2008	2010	2012	2015
Strongly Agree	1		2	1	1	2
Agree	3	10	3	11	10	8
Disagree	5	1	4	1		1
Strongly Disagree		1	3			
No Opinion	1			1	1	3

18. There have been occasions where the board itself has acted in ways inconsistent with the organization's deepest values.

	2000	2001	2008	2010	2012	2015
Strongly Agree						
Agree	1	2	1	1		1
Disagree	8	3	7	8	7	9
Strongly Disagree		3	3	4	3	2
No Opinion	3	4	1	1	1	2

19. This board often discusses where the organization should be headed five or more years into the future.

	2000	2001	2008	2010	2012	2015
Strongly Agree	2	3		2		2
Agree	5	5.5	6	8	7	8
Disagree	4	3.5	5	3	5	4
Strongly Disagree			1			
No Opinion				1		

20. Other board members have important information that I lack on key issues.

	2000	2001	2008	2010	2012	2015
Strongly Agree	3			1		1
Agree	4	3.5	4	4	7	5
Disagree	3	3.5	6	4	4	5
Strongly Disagree	2	2		2	1	1
No Opinion		3	1	2		1
Left Blank			1			

21. This Board often gets involved in the details of college operations in a way that is inappropriate.

	2000	2001	2008	2010	2012	2015
Strongly Agree						
Agree			1		1	1
Disagree	10	9	7	8	4	10
Strongly Disagree	2	3	4	5	7	3
No Opinion						

22. Recommendations from the administration are usually accepted with little questioning in board meetings.

	2000	2001	2008	2010	2012	2015
Strongly Agree	2	1			1	
Agree	4	4.5	3	3	2	1
Disagree	6	5.5	8	10	8	10
Strongly Disagree		1		1	1	1
No Opinion					0	2
Left Blank			1			

23. This board has conducted an explicit examination of its roles and responsibilities.

	2000	2001	2008	2010	2012	2015
Strongly Agree		2	1			2
Agree	1	5.5	5	7	5	5
Disagree	10	4.5	5	4	5	4
Strongly Disagree	1		1	1		
No Opinion				2	2	3

24. Important communications and decision-making on this Board often occur in a “back room” where only select members are present.

	2000	2001	2008	2010	2012	2015
Strongly Agree	1					
Agree	3.5	5.5	3	1		2
Disagree	5.5	4.5	7	6	5	6
Strongly Disagree	1	2	2	6	6	4
No Opinion				1	1	1

25. I am able to speak my mind on key issues without fear that I will be ostracized by some members of this board.

	2000	2001	2008	2010	2012	2015
Strongly Agree	2	4	3	8	6	7
Agree	8	7	8	4	4	5
Disagree	2			1	1	
Strongly Disagree						
No Opinion				1	1	2
Left Blank			1			

26. I have been in board meetings where the discussion focused on identifying or overcoming the organization's weaknesses.

	2000	2001	2008	2010	2012	2015
Strongly Agree		2	2		2	2
Agree	6	6	4	9	5	10
Disagree	4	3	6	3	1	1
Strongly Disagree						
No Opinion		1		2	3	1

27. The board faces many policy questions that do not have clear answers. (Question discontinued after 2010)

	2000	2001	2008	2010
Strongly Agree	3	3		1
Agree	6	5	6	5
Disagree	3	3	6	6
Strongly Disagree				1
No Opinion		1		1

28. This board seeks information and advice from leaders of other similar organi:

	2000	2001	2008	2010	2012	2015
Strongly Agree	1	2				1
Agree		1	3	4	5	7
Disagree	8	7	6	8	5	3
Strongly Disagree	2					
No Opinion		2	3	2	2	2

29. This board makes explicit use of the long-range priorities of this organization in dealing with current issues. This board considers long range priorities in dealing with current issues. (First question was asked 2000-2010; second question was asked 2012-2015.)

	2000	2001	2008	2010	2012	2015
Strongly Agree	2	2	1		1	2
Agree	5	8.5	7	10	10	10
Disagree	5	1.5	3	3	1	
Strongly Disagree						
No Opinion			1	1		

30. More than half of this board’s time is spent in discussions of issues of importance to the organization’s long-range future.

	2000	2001	2008	2010	2012	2015
Strongly Agree		2				
Agree	6	2	3	8	4	5
Disagree	6	5	8	5	6	5
Strongly Disagree		1		1		1
No Opinion		2	1		2	2

AGB Board of Directors' Statement on the
Fiduciary Duties
of Governing Board Members



This statement was approved on July 24, 2015, by the Board of Directors of the Association of Governing Boards of Universities and Colleges. The following principles are intended to educate board members about the elements of their fiduciary responsibilities and how to translate their fulfillment of those responsibilities into effective board conduct and oversight

The “AGB Statement on the Fiduciary Duties of Governing Board Members” encourages all governing boards and chief executives to remember that governance is significantly improved when board members and presidents share a mutual understanding of the standards that define their fiduciary obligations.

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AGB

Preface

AGB Board of Directors' Statement on the Fiduciary Duties of Governing Board Members

Governance of American colleges and universities is at a crossroads. The governing bodies of these institutions face critical challenges to methods of operation and oversight that have been in common use for decades, but which are underperforming in satisfying current stakeholders and protecting future generations. At the same time, they are under greater scrutiny than ever before, with their members increasingly held accountable for the success or failure of their institutions. These members hold a unique position with regard to stewardship of the institutions they serve, a position not shared with students, faculty, alumni, donors, regulators, or others in the community. They are fiduciaries.

The concept and practice of being a fiduciary cannot and should not be reduced to a legal principle with no real-world impact on a board member's behavior. Fiduciary principles and duties are at the heart of effective governance and AGB's work with its members. The fiduciary duties described in this statement can seem, at first glance, to be a matter of common sense. What could be more essential for a board member than to act with good-faith and care, with loyalty to the institution, and in compliance with its mission and the law? And yet, behind nearly every failure of governance and leadership at higher education institutions is a breach of the principles of fiduciary duty.

While governing boards act as a body, the fiduciary duties applied by law and best practice fall on individual board members. Each has a personal responsibility to ensure that he or she is up to the task and fulfilling his or her obligations. Effective board members must be more than names on a masthead. They must be fully engaged. They must attend meetings, read and evaluate the materials, ask questions and get answers, honor confidentiality, avoid conflicts of interest, demonstrate loyalty, understand and uphold mission, and ensure legal and ethical compliance. Those who cannot do so must step down and allow others to take their place. The success and sustainability of the institution and the protection of board members from personal liability require nothing less.

This AGB board statement is designed as a tool to orient board members to the elements of fiduciary duty and to recommend proven practices for translating those duties into effective board conduct. It comprises a discussion of governing board members and officers as fiduciaries of their institutions, an explanation of the three fiduciary duties that apply to them, and principles for translating these duties into effective board conduct. Integrated throughout the statement are illustrative questions for members of governing boards to consider.

Principles of Fiduciary Duty

FIDUCIARY DUTIES IN GENERAL

Under state statutory and common law, officers and board members of corporations (including nonprofit corporations and public bodies that operate colleges and universities) are *fiduciaries* and must act in accordance with the fiduciary duties of care, loyalty, and obedience. What is a fiduciary? Legally, a fiduciary relationship is one of trust or confidence between parties. A fiduciary is someone who has special responsibilities in connection with the administration, investment, monitoring, and distribution of property—in this case, the charitable or public assets of the institution. These assets include not just the buildings and grounds and endowment, but also intangibles, such as the reputation of the institution and its role in the community. A college or university board member or officer has duties to the institution under the law that a faculty member, a student, or an administrator does not.

A fiduciary owes particular duties to the institution he or she serves. They are commonly known, as described above, as the fiduciary duties of care, loyalty, and obedience. Taken together, they require board members to make careful, good-faith decisions in the best interest of the institution consistent with its public or charitable mission, independent of undue influence from any party or from financial interests. These duties may be described in and imposed by a college or university's bylaws, governing board policies, standards of conduct, or code of ethics. In the case of a public institution, state law may describe or apply these standards of conduct differently (for example, under particular rules applicable to regents or public bodies); however, adherence to these principles remains a key governance best practice at both independent and public colleges and universities.



ILLUSTRATIVE QUESTIONS FOR GOVERNING BOARDS TO CONSIDER

1. Does the board understand the elements of the duty of care, the duty of loyalty, and the duty of obedience? How is our board educated on these principles?
2. Do board members understand how their fiduciary duties relate to their particular responsibilities in overseeing the college or university? How does our board discuss these matters?
3. Do board members understand the ways in which they could be exposed to personal liability for breaching their fiduciary duties? What areas of liability exposure are of greatest concern to our board members?

Good governance practice mandates that all board members be informed of the legal meaning and obligations of their fiduciary role and provided practical examples of issues that the board is likely to face and that require careful attention to the balancing of interests necessary to carry out the fiduciary role. In addition, board members and officers must understand that while they hold fiduciary duties individually, they act collectively as a board. Absent a particular designation of authority by the board to an individual board member or officer (such as the authorization of a board chair to enter into an employment agreement with the president on behalf of the institution), no single board member or officer has authority to bind the institution or determine its course of action, even those who may be appointed by a state governor or through a political process.

A question that often arises is: To whom are fiduciary duties owed? By law, these duties are owed by governing body members and officers to the institution. However, in the court of political and public opinion, fiduciary duties are commonly extended (erroneously) to other beneficiaries: students (and those who may pay the tuition for them), faculty, alumni, donors, and the community at large, particularly where the institution has a direct and material impact on the livelihood of its community and the beneficiaries of its research and scholarship. In a given case, governing board members may comply faithfully and with integrity with their legal fiduciary duties in overseeing their institutions and yet still run afoul of regulators, politicians, and stakeholders who believe a different result should ensue. It may even cost a board member his or her seat. Still, fidelity by board members and officers to their legal fiduciary duties is the essence of good governance.

FIDUCIARIES WITHIN A SHARED GOVERNANCE SYSTEM

In the American higher education system of shared governance, governing boards share governance duties with the president and the faculty, while respecting academic freedom and soliciting input from a broad campus constituency. However, under the law, only governing board members and officers hold fiduciary responsibility. Nevertheless, the governance principles ingrained in the fiduciary duties discussed in this statement have clear application to the efforts of the administration and faculty, as well. All participants in the system of shared governance would do well to adhere to these principles and practices.



The Three Duties

The following three duties of governing board members and officers, which are established by law and are well-accepted principles of good governance, are set forth for board members to thoughtfully consider and apply.

THE DUTY OF CARE

The duty of care generally requires officers and governing board members to carry out their responsibilities in good-faith and using that degree of diligence, care, and skill which ordinarily prudent persons would reasonably exercise under similar circumstances in like positions. Accordingly, a board member must act in a manner that he or she reasonably believes to be in the best interests of the institution.

Determining what is in the best interests of the institution is left to the governing board's sound judgment under the duty of care. It will necessarily involve a balancing of interests and priorities appropriate to the institution's mission and consistent with its strategic priorities. This should include explicit attention to the tradeoffs inherent in achieving balance among employees' interests (maintaining quality of education and protecting the institution's assets), student interests (maintaining affordability), physical assets (buildings and grounds), fiscal assets (endowments and fund balances), consumer value of the degree (cost of degree attainment versus future job earnings), and community interests in the institution (jobs, economic development).

Under the duty of care, governing bodies of colleges and universities are responsible for both the short- and long-term financial health of the institution and achievement of the goal of preserving the institution and its resources for future generations. At the same time, governing boards have the obligation to develop and protect the quality of the institution's academic programs and to become appropriately engaged in the oversight thereof.

There can be no single, succinct statement of specific actions required by the duty of care, since different circumstances will inevitably require different acts. However, the proper exercise of the duty of care requires a board member to regularly attend meetings; to read and evaluate the meeting materials prepared for the board in advance of the meeting; to ask questions and participate actively in board discussions; and to be knowledgeable of the institution's purposes, operations, and environment.

Also interwoven in the duty of care is the responsibility of board members to maintain the confidentiality of matters brought before the board, both during and after their board service. This is particularly the case with respect to personnel concerns and sensitive business matters. In some cases, board members may be asked to sign an oath of confidentiality or a binding agreement that sets forth their duties and responsibilities

to the institution. Such instruments may be useful, but they may also seem heavy-handed to some, and the duties will apply to board members who have been duly elected and have consented to service whether or not an oath or agreement exists. At the same time, board members must balance their obligation to maintain confidentiality with the core governance principle and public-policy objective of promoting transparency in board operations.

The duty of care does not require professional expertise, extensive consideration, or full knowledge of the matter at hand by every board member. Instead, the duty generally requires board members to be reasonably well informed of the relevant issues. Officers and board members may rely upon expert advice in making their determinations. For example, a board member may rely on information, opinions, reports, or statements, including financial statements and other financial data, that are prepared or presented by: (a) one or more officers or employees of the institution whom the board reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, public accountants, or other persons as to matters the board reasonably believes are within the person's professional or expert competence; or (c) a committee of the governing board of which he or she is not a member if the board member reasonably believes the committee's report merits confidence. Any reliance on information provided by others must be reasonable under the circumstances, considering such factors as the source from which the information was obtained, whether the information relied upon is a brief summary or an extensive analysis, whether the matter is routine or exceptional, and the time frame in which a decision must be made.



ILLUSTRATIVE QUESTIONS FOR GOVERNING BOARDS TO CONSIDER

1. Does the board invite discussion and questions regarding matters before it?
2. How does the board encourage full engagement by board members and enforce attendance requirements?
3. How does the board involve experts to facilitate and enhance its understanding of matters before it?
4. How does the board assess its own performance in fulfilling its fiduciary duties?

THE DUTY OF LOYALTY

The duty of loyalty requires officers and board members to act in good-faith and in a manner that is reasonably believed to be in the interests of the college or university and its nonprofit or public purposes rather than their own interests or the interests of another person or organization. The fiduciary must not act out of expedience, avarice, or self-interest. The requirement that officers and board members discharge their duties in good-faith is a subjective one that will vary depending on the facts and circumstances.

Under this duty, a college or university board member must be loyal to the institution and not use the position of authority to obtain, directly or indirectly, a benefit for him or herself or for another organization in which the board member has an interest. Accordingly, when evaluating a board member's conduct, the duty of loyalty considers both a board member's financial interests and the governance or leadership positions he or she holds with other organizations.

Board member independence is increasingly sought after by regulators and key stakeholders to ensure adherence to the duty of loyalty. In this context, independence means that the board member is not employed by and does not do material business with the college or university. This information is reported on IRS Form 990 and in other public record filings. In addition, the board member acts independently of any personal relationship he or she may have with the president or senior leaders of the college or university or with other board members. It is not required that every member of the board be independent (for example, some *ex officio* board members may not be), but, ideally, a majority of the board members should be independent.



ILLUSTRATIVE QUESTIONS FOR GOVERNING BOARDS TO CONSIDER

1. Does the board have a robust conflict-of-interest policy that also addresses dualities of interest? How do board members disclose conflicts and dualities and to whom?
2. Whose responsibility is it to review board conflict-of-interest disclosures and to report on potential conflicts to the board?
3. What does the board do when a conflict is identified?
4. How does the board determine what matters before it are confidential, and how does it enforce confidentiality by board members?

In addition, it is incumbent on board members to retain their independence from external and internal stakeholders in the conduct of their oversight and policy responsibilities. This applies to boards of independent institutions and especially to public boards whose members are most often selected for their service through some form of political appointment. It also applies in cases in which board members are appointed or elected by internal constituent groups such as faculty or staff. Public and internally appointed board members may be respectful of the views of appointing authorities but must not allow such influence to be determinative of board action. Governing board members of public institutions, while serving the public interest, must still adhere to the fiduciary duty of loyalty to the institution and, in so doing, must prioritize the interests of the institution over any other. It is essential that board members avoid a conflict of loyalty in meeting their fiduciary responsibilities to act on behalf of the institution(s) they hold in trust.

The most critical implementation of the duty of loyalty comes in a college or university's conflict-of-interest policy. Such a policy, when adhering to state law and best governance practices, requires board members to fully disclose financial interests and dual organizational relationships ("dualities of interest") that may affect their decision making on behalf of the institution. The policy will prohibit board members from participating in or unduly influencing decisions in which they have a material financial conflict of interest or an adverse duality of interest ("recusal") and may require the board member to eliminate the duality of interest. The 2013 "AGB Board of Directors' Statement on Conflict of Interest with Guidelines on Compelling Benefit" offers clarifying guidance on best practices for boards to consider in managing conflicts of interest within the board.



THE DUTY OF OBEDIENCE

A third fiduciary duty, which is arguably an element of the duties of care and loyalty, is the duty of obedience. This is the duty of board members to ensure that the college or university is operating in furtherance of its stated purposes (as set forth in its governing documents) and is operating in compliance with the law. The board should also periodically re-evaluate its purposes and mission and must be prepared to amend or change them when it is necessary and appropriate to do so under the law and the institution's governing documents. A governing body of a college or university must make reasonable efforts to ensure that the institution is both legally and ethically compliant with the law and applicable internal and external rules (for example, accreditation, environmental, research, labor, or athletics requirements) and that it has instituted effective internal controls to achieve compliance and to identify and address problems.



1. Has the board been impeded in fulfilling its fiduciary responsibilities by external influences such as government, corporate, political, social, athletic, or religious interests? How should the board respond under these circumstances?
2. Do our appointed public board members understand and abide by their fiduciary obligation to objectively evaluate the matters before them and to maintain their independent judgment, notwithstanding any potential effort by the appointing authority to influence their decisions?
3. By what process does the board determine whether proposed board action is consistent with the institution's mission and purposes?
4. How does the board oversee legal compliance in the institution?
5. What internal controls are applied to prevent legal violations such as fraud, theft of intellectual property, embezzlement, athletics infractions, use of gifts in violation of donor intent, and employment discrimination? Are they effective?

Translating Fiduciary Duty into Effective Board Conduct

In order to ensure that college and university board members are well prepared to effectively carry out their roles as fiduciaries, good governance tools may be developed to provide clarity as to expectations and strategies for action. Fiduciary duties will apply by law even if an institution does nothing more to implement them, but governance is improved when board members and presidents share a mutual understanding of the standards that define the fiduciary role, including the balancing of interests necessary to carry out the institution's mission and strategic priorities.


CORE PRINCIPLES FOR EFFECTIVE BOARD CONDUCT AS FIDUCIARIES

1. FULFILL THE FIDUCIARY DUTY OF CARE BY:

- ☞ Acting at all times in good-faith and with the appropriate diligence, care, and skill required under the circumstances.
- ☞ Acting in a manner reasonably believed to be in the best interests of the institution.
- ☞ Actively attending and participating in all board and committee meetings, reading and evaluating the materials presented, and asking questions about unexplained results and unfamiliar issues.
- ☞ Retiring from board service (or declining nominations) if one is no longer able to satisfy the time, effort, and attendance expectations for the institution's governing body members.
- ☞ Relying, when appropriate, on experts who serve the board by evaluating complex matters, while questioning their reports when their advice is inconsistent with expectations.

2. FULFILL THE FIDUCIARY DUTY OF LOYALTY BY:

- ☞ Faithfully pursuing the interests of the college or university and its charitable or public purposes rather than one's own interests or the interests of another person or organization.
- ☞ Actively disclosing existing or potential financial conflicts of interest and dual interests, and recusing oneself from board discussions and votes on transactions or policy matters, in accordance with the institution's conflict-of-interest policy.

- 
- ☞ Maintaining complete confidentiality about any matters presented to the governing board at all times, unless otherwise directed by the board and subject to state transparency laws applicable to public institutions.
 - ☞ Retaining the governing board's independence from external and internal stakeholders in the conduct of its oversight and policy responsibilities.

3. FULFILL THE FIDUCIARY DUTY OF OBEDIENCE BY:

- ☞ Ensuring that the institution is acting at all times in accordance with its mission and purposes.
- ☞ Ensuring that the college or university, in all of its activities, is acting in legal and ethical compliance with the law and applicable internal and external rules.
- ☞ Instituting effective internal controls to achieve compliance and to identify and address problems.

EFFECTIVE GUIDELINES FOR PUTTING THESE PRINCIPLES INTO PRACTICE

- ☞ Implement a year-round director-recruitment program in which a pool of prospective candidates is developed and vetted, and in which candidates have an opportunity to learn more about the institution and are educated as to the needs and expectations of the institution for their board service, and their prospective fiduciary responsibilities.
- ☞ Engage in thoughtful and advance planning regarding board development and composition to avoid conflicts of interest, ensure adequate independence of board members, and secure an appropriate balance of skills and experience among board members.
- ☞ Establish meaningful orientation programs for new board members (and a refresher for long-serving members) that include: an explanation of fiduciary duties; a discussion of the institution's mission, vision, and strategic plan; an explanation of related board policies, such as conflict of interest and confidentiality; an explanation of relevant portions of the college or university bylaws that pertain to board members' conduct; the expectations of board members as to active participation on the board and in board committees; an explanation of the potential for personal liability for board members in the event of a breach of fiduciary duty; and the identification of resources for further study.

- ❧ Develop and implement an up-to-date conflict-of-interest policy that: makes the disclosure and recusal process clear; identifies standards for materiality and compelling benefit; explains and addresses financial interests, dualities of interest, and rules of conduct when the interest is adverse; and includes an effective form for disclosing material financial and dual interests. The governing board or a board committee will establish a process for review of disclosures of interest and forwarding of identified conflicts to the board for appropriate action.
- ❧ Ensure appropriate communication between the governing board and college or university legal compliance officers and programs and provide orientation for all board members regarding their role in such programs, including whistleblower policies, investigations of allegations, and complaint resolution.
- ❧ Secure on a timely basis the advice of knowledgeable experts who can increase the level of understanding and competence of board members on key issues, which may include compensation of the president, strategic planning, academic quality, construction of new facilities and development of property, marketing and communications, advocacy, legal compliance, fundraising and endowment management, and risk management.
- ❧ Commission board committees to regularly assess, through self-evaluation and review of board-member conduct, the effectiveness of the board in adhering to its fiduciary duties. Such committees may include the executive committee, the governance committee, and the audit committee.



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COMPACT WITH THE STATE OF VERMONT

Higher Expectations for Vermont:
The Sixty Percent Solution

Increasing Educational Attainment for a Stronger Vermont

The Report and Recommendations
of the Vermont Commission on
Higher Education Funding

December 2009

THE VERMONT COMMISSION on HIGHER EDUCATION FUNDING

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Compact with the State of Vermont

Executive Summary

2009 marks the tenth anniversary of the Commission on Higher Education Funding (CHEF). In 1998, the Commission on Higher Education Funding was created in order to critically examine the system of funding and planning for the future of the state in educating its citizens for the new century. The Commission created the first Compact for Higher Education in 1999, in which the state made a commitment to prioritizing higher education in order to meet the needs of its citizens.

In 2009, we believe that there needs to be a renewed recognition of the value of higher education, and that Vermont cannot afford to fall further behind our neighboring states or the rest of the nation in our support for our citizens.

Educational Attainment and the Future of Vermont

This Compact proposes ***THE SIXTY PERCENT SOLUTION*** to increase the percentage of Vermonters who have completed two-year or four-year college degrees from 42 to **60 percent by 2019**.

This Compact is built on a single premise: one of the most important measures of economic vitality in Vermont is the educational attainment of Vermonters. Indeed, few things are more important to establishing a strong and growing economy than the education and training of our workforce.

Vermonters need education beyond high school if they are to realize life's opportunities for themselves, their families and their communities—for sustainable incomes, career advancement, self-fulfillment and effective citizenship—and for a stronger Vermont in the future. A degree is imperative for all Vermonters and should no longer be considered a luxury, but a minimum educational goal for all to achieve.

Higher levels of educational attainment translate into higher earnings and tax revenues, increased civic engagement and community contributions, and decreased dependency on government services—all critical components of a prospering economy and a vibrant democracy.

Increasing the number of college-educated Vermonters will be critical to maintaining a strong workforce and tax base. Increased public support of higher education has the power to help Vermonters achieve sustainable incomes, fulfill lifelong ambitions, and become engaged citizens.

Elements of the Compact

This Compact proposes to establish one clear goal: ***THE SIXTY PERCENT SOLUTION***, increasing the percentage of Vermonters who have completed two-year or four-year college degrees from 42 to **60 percent by 2019**.

In order to achieve this **ten-year goal**, the state will:

- increase statewide career awareness and planning;
- increase postsecondary aspirations;
- increase the number of Vermont high school graduates who enroll in college;
- increase the degree completion rate of students at Vermont colleges and universities;
- increase the number of Vermont's working adults who enroll in and complete college programs;
- increase awareness of the economic, intellectual and societal benefits of higher education; and
- increase the state's financial support of higher education to ensure a continuum of educational opportunities for Vermonters' success.

Compact with the State of Vermont

History of the Commission on Higher Education Funding, 1998-2008

2009 marks the tenth anniversary of the Commission on Higher Education funding. In 1998, the Legislature determined that there was a need for the higher education community to address its issue in one voice. The Commission on Higher Education Funding was created in order to critically examine the system of funding and planning for the future of the state in educating its citizens for the new century.

In its inaugural year, the Commission authored a report which decried the historical underfunding of higher education, and vowed that our national rank of 49th in funding support could not stand. The Commission was charged with designing a ***“multi-year plan to meet the future needs of Vermont and its people for affordable, accessible, and high-quality postsecondary education programs.”***

The Commission’s report, which supported an increase in support, found that

- a high school diploma was no longer sufficient to enable a person to earn a living wage;
- employers need a highly skilled workforce to fill jobs;
- the “traditional” college student is no longer under the age of 22;
- Vermonters are burdened by high tuition and higher debt loads;
- Vermont colleges and university are struggling to fund their core services; and
- a “disconnect” exists between the needs of its citizens for education and training, and the state’s financial investment in postsecondary education

The reality is that all of the Commission’s findings are still true, but the situation has worsened. Despite a couple of years of significant increases in funding following the report, Vermont’s ranking is still 49th in the nation in its support of higher education. Tuitions have increased substantially since 1999, and our students are laboring under a debt load that has doubled since 1994.

The Commission made several recommendations for action in the 1999 legislative session:

1. **Increased investment through the General Fund:** Increased funding for the core services of VSAC, VSC and UVM should be at a rate that reflects the priority of higher education, and should increase at a rate of five to ten percent per year for the next ten years.
2. **The Fund for Investment in Vermont’s Future:** A Higher Education Endowment Fund should be established for the purpose of supporting financial aid to students and matching funds for UVM and VSC endowment funds.

3. **The Workforce Development Initiative:** A Workforce Education Fund should be created to supplement the postsecondary services provided by the higher education system, which would be responsive to the critical needs of employers and workers in Vermont. The report envisioned a strategic investment in both short and long term programs which could give Vermonters skills which would be transferable, but also responsive to employer needs.
4. The Commission on Higher Education Funding should become a **permanent body** to continue to evaluate and monitor the status of higher education in Vermont and to underscore the desirability for a unified voice from the higher education community.
5. **A Compact with The State Of Vermont: An Investment Strategy for a Changing World:** The Commission authored a compact reflecting the mutual goals of the state, students, and institutions of higher education to support affordability; access to programs; sustainable core funding to maintain quality; effective workforce education and training network; an aligned K-16 and lifelong learning system; effective research and development; and assessment and accountability. It was signed by the Governor, state legislative leadership, and higher education leaders.

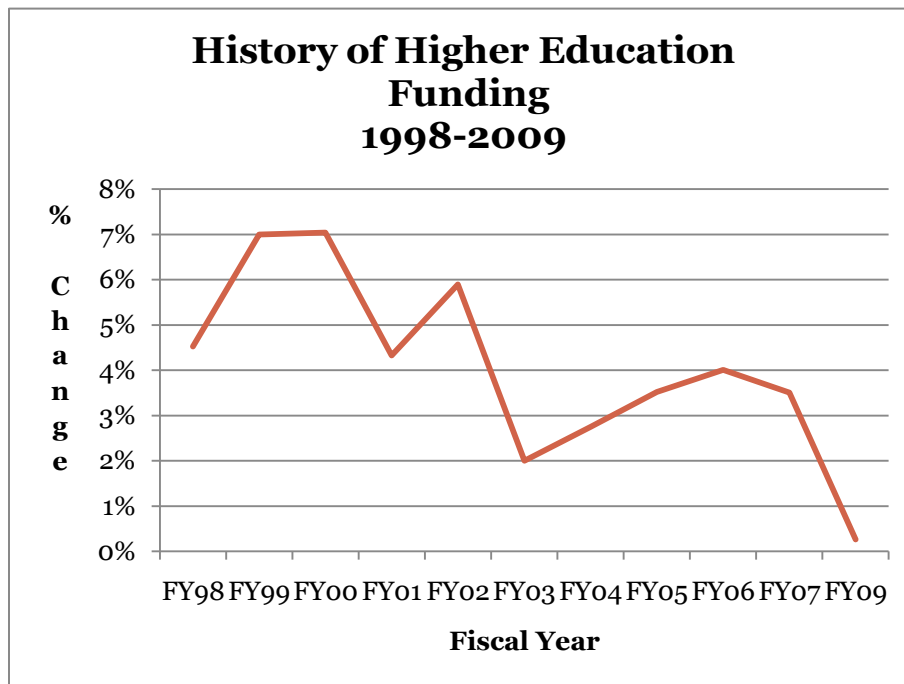
The CHEF report of 2001 further expanded the work of the Commission and set goals and indicators to measure progress. In the ensuing years, the Commission continued to make recommendations to the Legislature on funding levels. Reports on the benchmarks were published in 2000, 2005, and again in this report (see Appendix).

Progress on the 1998 Recommendations

All of the recommendations of the CHEF were adopted by the Legislature.

✓ **Sustainable Funding**

In the first four years following the report, the annual increase for higher education was between 5 and 7 percent. However, after FY 2003 the annual appropriation increases have been in the two to four percent range, with 2009 at zero percent (see chart). Vermont has remained at the ranking of 49th in the US in its funding of higher education.



- ✓ **The Higher Education Endowment Fund** was capitalized with \$6 million, and sustained by the overage in the estimated revenue from the estate tax, and today stands at \$18 million.
- ✓ **The Workforce Education and Training Fund** was created in 1999 and funded by surplus dollars for two years, and when surpluses ceased, went dormant due to a lack of sustainable funding. It was revived in the Next Generation Initiative, but the interconnection between postsecondary education and training has been diminished.
- ✓ **The Compact** was signed again in 2003, with the new leaders. It was modified slightly, with the addition of a commitment to targeted funding of critical state needs, and providing access to career and postsecondary information.

For the most part, however, the state commitment to prioritizing higher education in order to meet the needs of its citizens has not been realized. We believe that there needs to be a renewed recognition of the value of higher education, and that Vermont cannot afford to fall further behind our neighboring states or the rest of the nation in our support for our citizens. The 1998 Commissioners set out to work with a goal that their work would not become another report gathering dust on a shelf. They vowed that the recommendations would be implemented so that there would be no need for another unread report in ten years.

We are therefore submitting this report to ensure that the message of the original Commission is not forgotten.

Compact with the State Of Vermont

*Higher Expectations for Vermont: The Sixty Percent Solution
Increasing Educational Attainment for a Stronger Vermont*

Educational Attainment and the Future of Vermont

This Compact is built on a single premise: one of the most important measures of economic vitality in Vermont is the educational attainment of Vermonters. Indeed, few things are more important to establishing a strong and growing economy than the education and training of our workforce.

For half a century, America has viewed completing high school as the minimum education accomplishment, but the requirements for equal opportunity and economic competitiveness have changed. Vermont will thrive in the knowledge economy of the 21st century by developing, attracting and retaining a well-educated and highly-skilled citizenry—which will in turn attract and retain successful businesses and support healthy communities. For Vermont to weather volatile economic times, we must increase the numbers of college-educated workers with higher levels of problem solving, creative thinking, and communication skills. This includes increasing the numbers of scientists, engineers, entrepreneurs, and community leaders with the capacity to innovate and to adapt to constantly changing social, cultural, and economic environments. Higher levels of educational attainment translate into higher earnings and tax revenues, increased civic engagement and community contributions, and decreased dependency on government services—all critical components of a prospering economy and a vibrant democracy.

Today, earning at least an associate's degree is as important as earning a high school diploma was twenty years ago. Over two-thirds of Vermont's fastest-growing occupations require postsecondary education. Vermont's future depends on a continuum of accessible, affordable educational opportunities whose postsecondary component requires substantial and sustained support. Postsecondary education is a critical need for every Vermonter. It is a powerful economic driver and creator of knowledge for both individual Vermonters and for the state as a whole. While Vermont leads the nation in state and local funding for primary and secondary education, we should not be satisfied with our weak position of state support for Vermont's higher education sector. This funding pattern is more than a financial statement—it is a policy statement that sends a signal of what is, and what is not, important to Vermonters. Vermont places a high value on the well-being of its citizens. Continuing this pattern seriously imperils Vermont's future. Vermonters need education beyond high school if they are to realize life's opportunities for themselves, their families and their communities— for sustainable incomes, career advancement, self-fulfillment and effective citizenship—and for a stronger Vermont in the future.

Vermont support for higher education is among the lowest in the nation, regardless of the measure. According to State Higher Education Executive Officers (SHEEO):

- In 2007 Vermont ranked 48th in higher education support per \$1000 of personal income (\$3.70 in Vermont versus the national average of \$7.19, with the highest level of support in New Mexico at \$16.57).
- In 2007 Vermont ranked 50th in higher education appropriations per full-time equivalent student (\$2,281 in Vermont versus the national average of \$6,773, with the highest level of support in Wyoming at \$14,709).
- In 2005 Vermont ranked 50th in higher education funding relative to tax revenues and lottery profits (3 percent allocation in Vermont versus the national average of 6.5 percent, with the highest level of support in California at 7.3 percent).

Demographic trends in Vermont further compound the challenge. After Maine, Vermont is the second “grayest” state, and according to population forecasts, the number of Vermonters over the age of 65 will double by 2030. At the same time, the working age population (those between 21 and 64) will rise slightly until 2015 and then decline. Today there are five working age Vermonters for every individual over the age of 65. By 2030, it is estimated that there will be only two working-age Vermonters for each senior citizen. Increasing the numbers of college-educated Vermonters will be critical to maintaining a strong workforce and tax base.

In Vermont:

- 85 percent of ninth graders complete high school (2006, Vermont Department of Education).
- 70 percent of high school graduates aspire to continue their education beyond high school within one year of graduation (2007, VSAC).
- 44 percent of all nineteen-year-olds are enrolled in college (2006, Postsecondary Opportunity).
- 42 percent of Vermonters over the age of 25 have an associate’s, bachelor’s or graduate degree (2007, U.S. Census Bureau’s American Community Survey).

We also know that low-income students drop out of high school and fail to go on to college at disproportionate numbers. Expanding early career awareness and increasing postsecondary aspirations are vital to the goal of increasing educational attainment and, thus, to Vermont’s future economic growth and vitality. Programs that are successful in increasing postsecondary aspirations start early, in middle school or before, and combine goal setting, career awareness and education planning—giving students and their families the tools to successfully navigate life beyond high school.

This Compact proposes ***HIGHER EXPECTATIONS FOR VERMONT: THE SIXTY PERCENT SOLUTION***, increasing the percentage of Vermonters who have completed two-year or four-year college degrees from 42 to ***60 percent by 2019***.

The Case for College and a Strong Higher Education Sector

An educated citizenry is good for Vermont and good for Vermonters. With obvious benefits to the individual, higher education must be recognized as a public good and increasingly vital to Vermont's future. Economic growth and security in the knowledge economy of the 21st century will only be achieved if the state has a well-educated, highly-skilled workforce. A population rich with college graduates is essential to high-quality employers, encouraging existing businesses to expand and attracting new, innovative businesses. The graduates themselves get better jobs, earn more money, and pay more taxes than those with high school diplomas. These graduates are also more likely to vote, serve on civic boards, contribute to charitable causes, and are better prepared to address the increasingly complex fiscal, social, and environmental problems facing local communities from Newport to Brattleboro.

The benefits of a college degree for individual Vermonters are well-documented and result in:

- increased income and savings levels;
- increased employment flexibility and mobility;
- improved health; and
- improved quality of life for children of college graduates.

The benefits of a college-educated population for society are equally clear and provide:

- additional tax revenues from higher incomes;
- increased disposable income and purchasing power; and
- decreased spending on government programs, including unemployment compensation, Medicaid, food programs, welfare, and corrections.

Higher education plays a critical role in the preservation of our democracy by producing citizens who have:

- the critical thinking skills and creativity to address increasingly complex problems facing communities and the state;
- higher voting rates;
- increased levels of charitable giving; and
- higher levels of civic engagement and volunteerism.

Finally, higher education is critical to our economic vitality by:

- developing and commercializing new technologies that support economic growth and protect national security;
- driving development of entrepreneurial and innovative opportunities in the new environmental/green economy—a sector vital to Vermont;
- supplying well-educated workers for Vermont's employers;
- attracting young people to the state to attend Vermont's colleges and universities, with a net gain of 1,926 college students to the State in 2006;
- employing over 11,000 Vermonters, most in high-paying jobs; and
- contributing \$600 million annually in payroll and benefits to the Vermont economy.

In summary, increased investments in higher education have the power to help Vermonters achieve sustainable incomes, fulfill lifelong ambitions, and become engaged citizens. The University of Vermont, the Vermont State Colleges, the Vermont Student Assistance Corporation, and the Vermont Independent Colleges are the lead contributors in educating the highly skilled workforce crucial to Vermont's economic development. This diverse community of public and private institutions is one of the best investments of limited dollars. By expanding Vermonters' access to a college education and securing a healthy higher education sector, policymakers can encourage young people to learn and work in Vermont and encourage adults to complete a college degree. Increasing educational attainment will strengthen Vermont's future through higher personal incomes, a robust economy, increased tax revenues for the state, and thriving, democratic communities.

Elements of the Compact

This Compact proposes to establish one clear goal: ***THE SIXTY PERCENT SOLUTION***, increasing the percentage of Vermonters who have completed two-year or four-year college degrees from 42 to **60 percent by 2019**.

In order to achieve this **ten-year goal**, the state must:

- increase statewide career awareness and planning;
- increase postsecondary aspirations;
- increase the number of Vermont high school graduates who enroll in college;
- increase the degree completion rate of students at Vermont colleges and universities;
- increase the number of Vermont's working adults who enroll in and complete college programs;
- increase awareness of the economic, intellectual and societal benefits of higher education; and
- increase the state's financial support of higher education to ensure a continuum of educational opportunities for Vermonters' success.

Action Steps:

1. Postsecondary aspirations and career awareness
 - Develop statewide career awareness and planning opportunities for all Vermonters, starting in the 7th grade.
 - Develop and implement specific strategies to raise postsecondary aspirations, particularly for low-income and first generation college students and their families.

2. Preparation and college pathways
 - Create clear standards for college readiness and hold high schools accountable for meeting them.
 - Expand opportunities for high school students to begin college while still in high school, including advanced placement, international baccalaureate, and statewide dual enrollment programs.
 - Provide support for working adults pursuing degree programs and college students seeking internships with Vermont employers.

3. Affordability
 - Develop a strategy to guarantee non-loan financial aid to Pell-eligible students and families to meet full tuition costs at Vermont public colleges, or the same amount toward attendance at Vermont independent or other colleges.
 - Make available a combination of affordable tuition and student assistance to ensure that all Vermonters have access to postsecondary programs that best meet their needs.


4. Degree attainment
 - Hold publicly funded colleges and K-12 schools accountable for improving retention and graduation rates.
 - Encourage K-12 schools and public colleges to publish learning outcomes measures and results.
 - Initiate a public relations campaign to increase awareness about the benefits of a college degree and how to pay for college.

5. State support
 - Create a sustainable source of State support for capital and operating expenditures at Vermont public colleges and university.
 - Ensure that an appropriate, predictable, multi-year level of support for postsecondary institutions and student assistance is a high priority.
 - Promote philanthropic support of Vermont colleges and universities.

6. Economic development
 - Provide incentives for college-educated Vermonters to stay in or return to Vermont to pursue employment opportunities in critical economic sectors.
 - Ensure that employers and employees have access to an affordable, effective, and coordinated infrastructure of workforce education and training programs and services, and partnerships between higher education and business.
 - Support research and development at Vermont institutions that will lead to sustainable economic development.

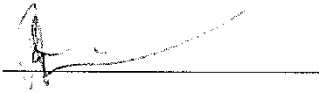
Compact with the State Of Vermont

Signatories to the Compact



James H. Douglas

Governor



Peter Shumlin

President Pro Tempore, Vermont Senate



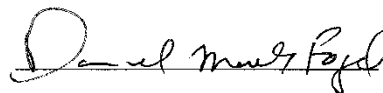
Shap Smith

Speaker, Vermont House of Representatives



Timothy J. Donovan

Chancellor, Vermont State Colleges



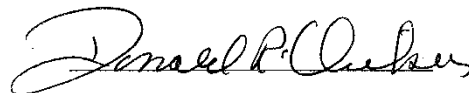
Daniel Mark Fogel

President, University of Vermont



Susan Stitely

President, Association of Independent Colleges



Donald R. Vickers

President/CEO
Vermont Student Assistance Corporation

Dated this 1ST day of DECEMBER, 2009

Appendix

*Vermont Commission on Higher Education Funding
2008 Major Benchmarks and Indicators*

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING

2008 Major Benchmarks and Indicators

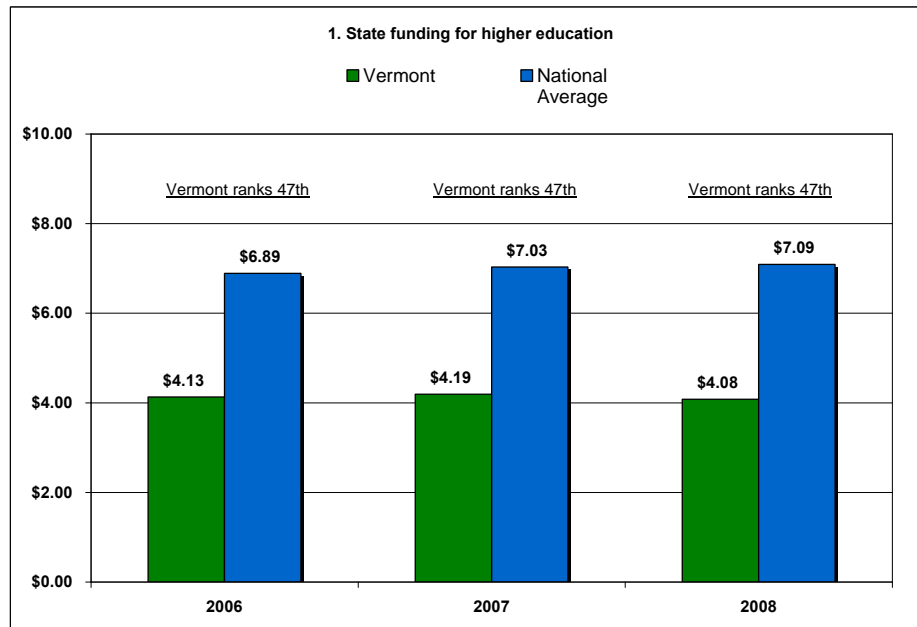
December 19, 2008

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

State Support

1. BENCHMARK: State funding for higher education per \$1000 of income:

Fiscal year	Vermont	Vermont Rank	National Average	Target
2003*	\$4.26	48th	\$7.18	\$5.72
2004*	\$4.27	47th	\$6.87	\$5.60
2005*	\$4.22	47th	\$6.92	\$5.71
2006*	\$4.13	47th	\$6.89	\$5.77
2007*	\$4.19	47th	\$7.03	\$4.92**
2008*	\$4.08	47th	\$7.09	\$4.81**



CHEF Goal: to be 45th in the nation (revised in 2007); to be 40th in the U.S. (original).

**Data for this fiscal year was revised by T. Mortenson*

*** Target reflects new goal to be 45th in the nation.*

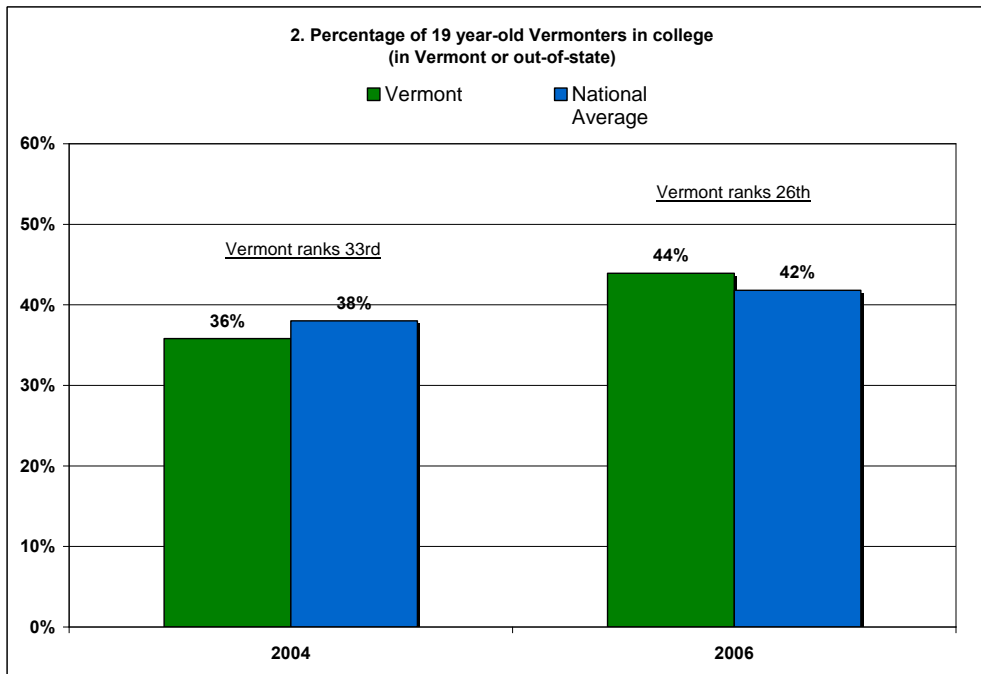
Source: Postsecondary Education Opportunity.

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

College Participation

2. BENCHMARK: Percentage of 19 year-old Vermonters in college (in Vermont or out of state):

Fiscal year	Vermont	National Average
2000	34%	38%
2002	35%	38%
2004	36%	38%
2006	44%	42%



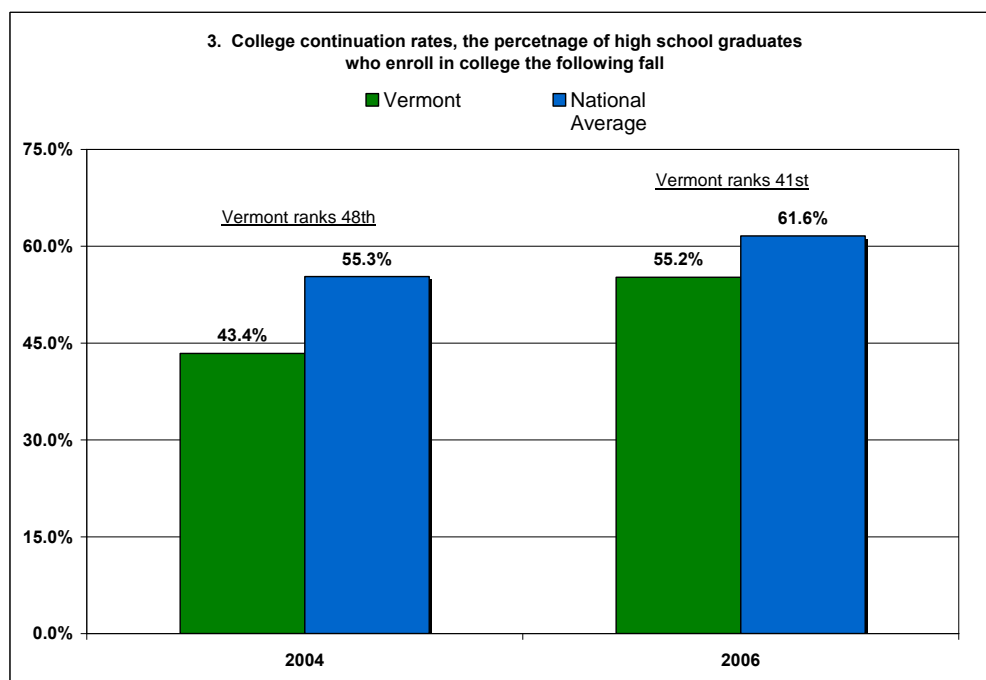
CHEF Goal: reach 45% enrolled in college

Source: *Postsecondary Education Opportunity.*

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

3. BENCHMARK: Percentage of high school graduates who enroll in college the following fall:

Fiscal year	Vermont	National Average
2000	45%	57%
2002	45%	57%
2004	43%	55%
2006	55%	62%



CHEF Goal: at or above U.S. average

Source: Postsecondary Education Opportunity.

Notes: Postsecondary Education Opportunity uses federal IPEDS enrollment data collected by NCES biannually for each state since 1986. The number of high school graduates is computed using data from the NCES Common Core of Data surveys (for public schools) and the Private School Universe Survey. VSAC conducts a two-phased survey of Vermont high school seniors (Planned Activities and Actual Activities). For the class of 2007, VSAC reports a 65.9% continuation rate as compared to the U.S. average of 68.6% reported by NCES in the Digest of Education Statistics (4- and 2-yr schools only). The VSAC study does not allow for a state by state ranking

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

Affordability

4.A. BENCHMARK: Average student debt load of Vermont VSAC Grant Recipients, at the end of their program:

Sector	Student Debt*		Alternative Loan		Total Student Debt			
	FY07	FY08	FY07	FY08	FY07	FY08	1-yr Change (\$)	1-yr Change (%)
University of Vermont	\$20,333	\$20,909	\$3,518	\$4,300	\$23,851	\$25,209	\$1,358	5.69%
Vermont State Colleges (4-Year including VTC)	\$22,515	\$22,728	\$4,356	\$3,903	\$26,871	\$26,631	-\$240	-0.89%
Community College	\$11,227	\$11,234	\$1,407	\$767	\$12,634	\$12,001	-\$633	-5.01%
AVIC Institutions	\$26,233	\$25,196	\$7,009	\$9,988	\$33,242	\$35,184	\$1,942	5.84%
Out of State Institutions	\$23,104	\$22,684	\$7,644	\$10,117	\$30,748	\$32,801	\$2,053	6.68%

*Includes Stafford (subsidized and unsubsidized), Perkins and other school loans.

CHEF Goal: Cap the average student debt for VSAC Grant recipients at \$23,000 (FY08).

4.B. BENCHMARK: Average family debt load of Vermont VSAC Grant Recipients, at the end of their program

Sector	Total Student Debt		PLUS Loan		Total Family Debt			
	FY07	FY08	FY07	FY08	FY07	FY08	1-yr Change (\$)	1-yr Change (%)
University of Vermont	\$23,851	\$25,209	\$7,988	\$7,903	\$31,839	\$33,112	\$1,273	4.00%
Vermont State Colleges (4-Year including VTC)	\$26,871	\$26,631	\$4,356	\$4,958	\$31,227	\$31,589	\$362	1.16%
Community College	\$12,634	\$12,001	\$1,222	\$910	\$13,856	\$12,911	-\$945	-6.82%
AVIC Institutions	\$33,242	\$35,184	\$9,134	\$8,612	\$42,376	\$43,796	\$1,420	3.35%
Out of State Institutions	\$30,748	\$32,801	\$16,972	\$14,589	\$47,720	\$47,390	-\$330	-0.69%

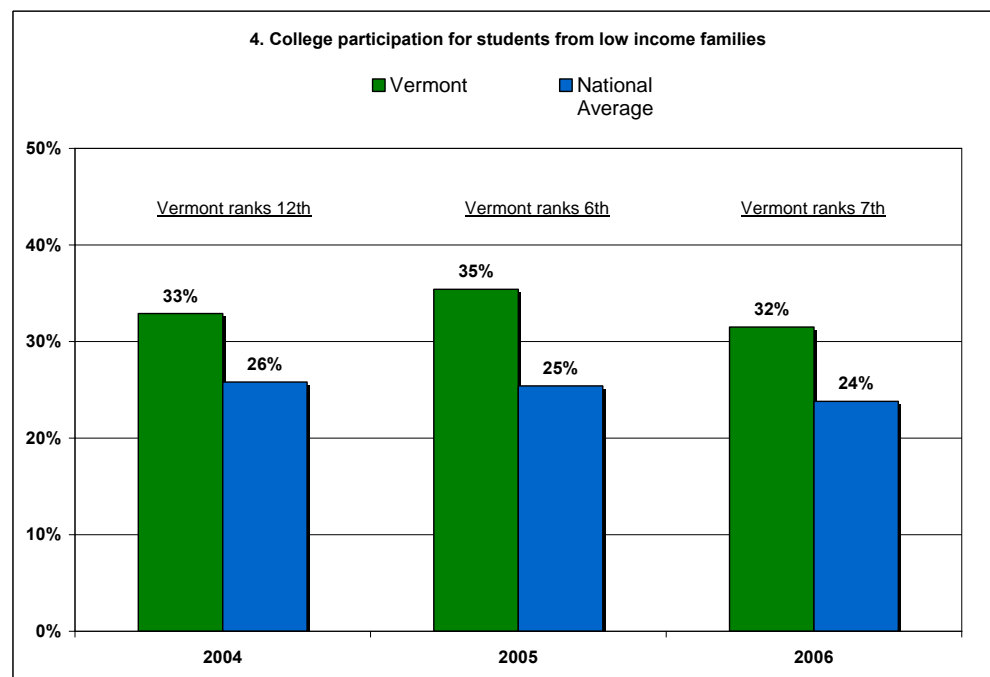
Source: VSAC

Note: Data represent students who are VSAC Full-time Grant recipients attending a 4-year institution (or CCV) and have VSAC Stafford loans. Dependency status is not factored into these analyses. Average PLUS debt is for all students in the cohort and not only those students with PLUS loans. In FY08, the average total PLUS debt for UVM students with PLUS was \$17,176; \$12,892 for students at the VSC; \$7,207 for CCV students; \$21,390 for AVIC students; and \$26,955 for students attending institutions outside of Vermont.

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

5. BENCHMARK: College participation for students from low income families:

Fiscal year	Vermont	Vermont Rank	National Average
2003	36%	6th	25%
2004	33%	12th	26%
2005	35%	6th	25%
2006	32%	7th	24%



CHEF Goal: 30% of students from low income families enrolled

Source: Postsecondary Education Opportunity.

Note: The definition of "low income" is based in part on the number of students eligible for free/reduced lunch.

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

College Completion Rates

6. BENCHMARK: Retention rates: percentage of full-time first time freshmen that return the following fall:

College/ University	Class Entering in:				National Norm	Goal
	Fall 2004	Fall 2005	Fall 2006	Fall 2007		
University of Vermont	88%	84%	86%	86%	79%	88%
Castleton State College	67%	71%	66%	71%	68%	72%
Johnson State College	63%	58%	65%	63%	71%	70%
Lyndon State College	62%	58%	53%	60%	64%	68%
Vermont Tech	73%	70%	72%	68%	62%	72%
Community College of Vermont	48%	48%	49%	54%	54%	54%

** National Norm for the most recent year available*

Source: IPEDS Fall Enrollment Surveys

7. BENCHMARK: Graduation rates: Percentage of full-time first time freshmen that graduate within six years for a four-year degree and three years for a two-year degree:

College/ University	Class Entering in:				National Norm*	Goal
	Fall 1999	Fall 2000	Fall 2001	Fall 2002		
University of Vermont	65%	67%	71%	71%	56%	75%
Castleton State College	40%	40%	40%	44%	37%	47%
Johnson State College	36%	36%	35%	32%	44%	41%
Lyndon State College	33%	41%	43%	32%	34%	47%
Vermont Tech	56%	55%	57%	51%	40%	50%
Community College of Vermont	12%	15%	13%	15%	28%	18%

** National Norm for the most recent year available*

Source: IPEDS Graduation Rates Surveys

Note: National norms differ by type of institution; the national norms for the Community College of Vermont do not adequately reflect institutional characteristics (e.g., the largely part time and transfer-oriented population at CCV).

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

8. INDICATOR: Postsecondary Degrees Conferred to All Students

Academic Year	University of Vermont			Vermont State Colleges*			Vermont Independent Colleges*		
	Associate's	Bachelor's	Graduate & Professional	Associate's	Bachelor's	Graduate & Professional	Associate's	Bachelor's	Graduate & Professional
2003-2004	20	1,675	556	775	653	133	595	2,320	1,166
2004-2005	0	1,795	597	834	765	94	437	2,332	1,372
2005-2006	0	1,807	526	874	780	106	506	2,394	1,532
2006-2007	0	1,913	575	860	789	99	415	2,399	1,682
2007-2008	0	2,004	551	---	---	---	---	---	---

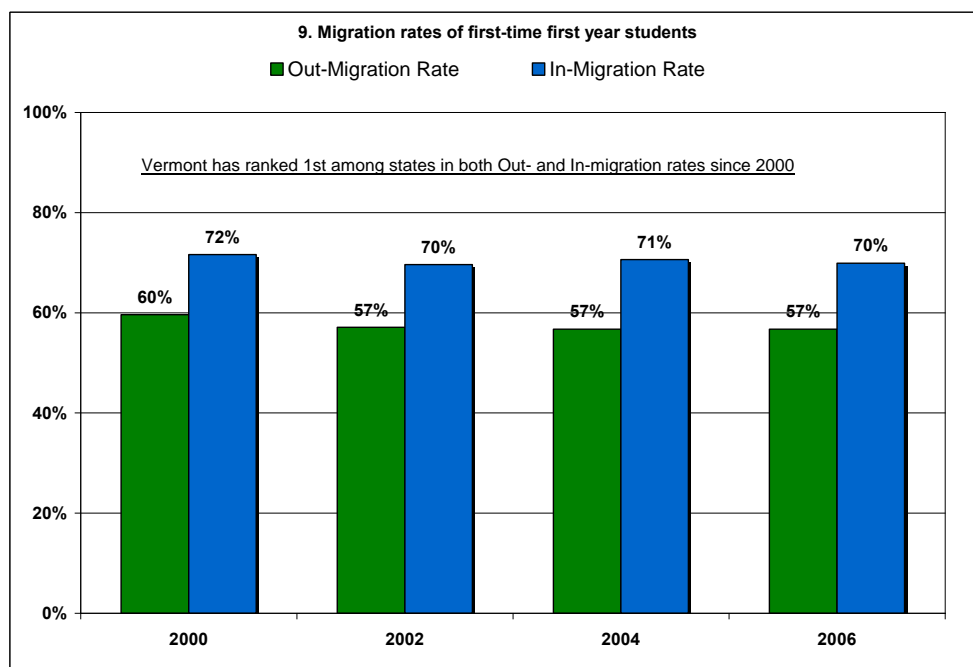
* Sub-bacalaureate certificates are excluded. In AY2006-07, the VSC and the Vermont Independent Colleges awarded 141 and 128 certificates, respectively.

Source: IPEDS Peer Analysis System

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

9. INDICATOR: Migration of First-Time First Year Students

Fall	Out-Migration	Out-Migration Rate and Rank	In-Migration	In-Migration Rate and Rank	Net-Migration
2000	2,146	60% (1st)	3,666	72% (1st)	1,520
2002	2,176	57% (1st)	3,792	70% (1st)	1,616
2004	2,087	57% (1st)	3,825	71% (1st)	1,738
2006	2,482	57% (1st)	4,408	70% (1st)	1,926



Source: Postsecondary Education OPPORTUNITY

Note: Out-migration is the number of Vermont resident first-time, first-year students attending college in another state. The out-migration rate is the proportion of Vermont resident first-time, first year students attending college outside the state.

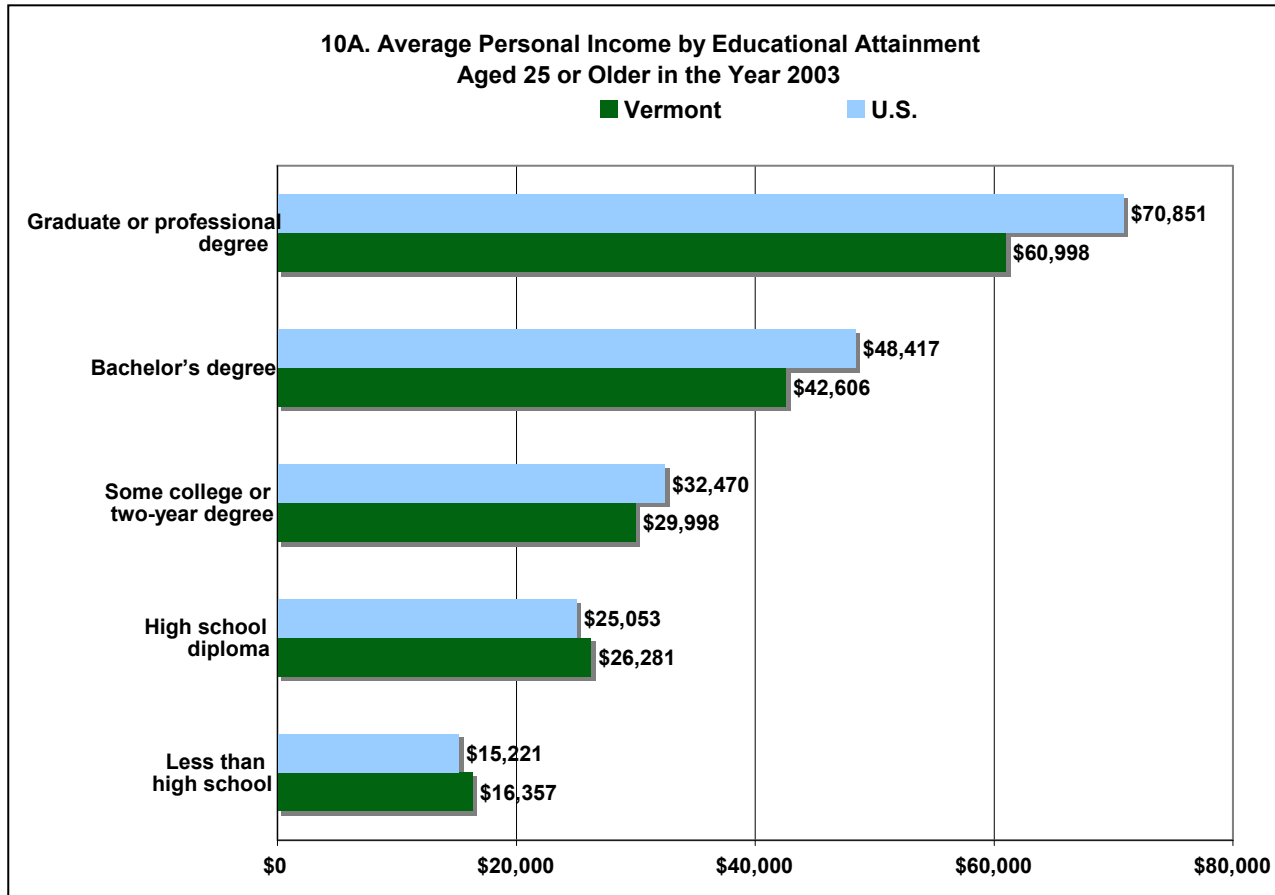
In-migration is the number of first-time, first-year students from other states attending Vermont institutions. The in-migration rate is the proportion of first-time, first-year students enrolled at Vermont institutions that come from outside the state. The out-migration and in-migration rates do not add to 100% because they are based on different populations.

Net migration is the difference between out-migration and in-migration. Vermont's Fall 2006 net migration rate of 44.0 percent ranks third in the nation; the number of out-of-state students attending Vermont institutions exceeds the number of resident students attending college out of state by an amount that is equal to 44 percent of our resident first-time, first year population.

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

10. INDICATOR: Benefits to Vermont

10A. Average Personal Income by Educational Attainment Aged 25 or Older in the Year 2003

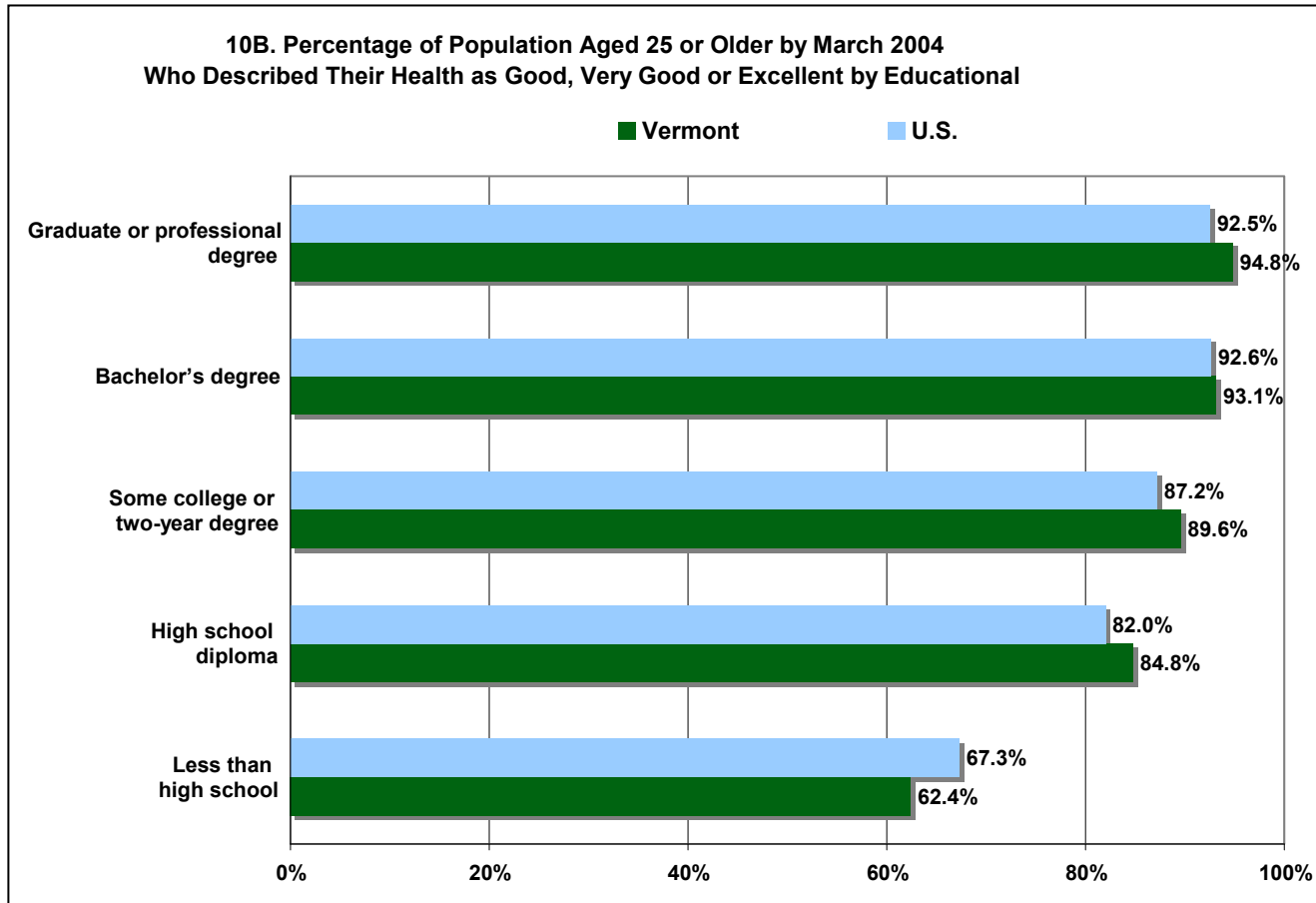


Source: Institute for Higher Education Policy, February 2005.

Note: The State of Vermont's minimum wage is higher than the national minimum wage. In 2003, the minimum wage in Vermont was \$6.25 compared to the national rate of \$5.15.

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

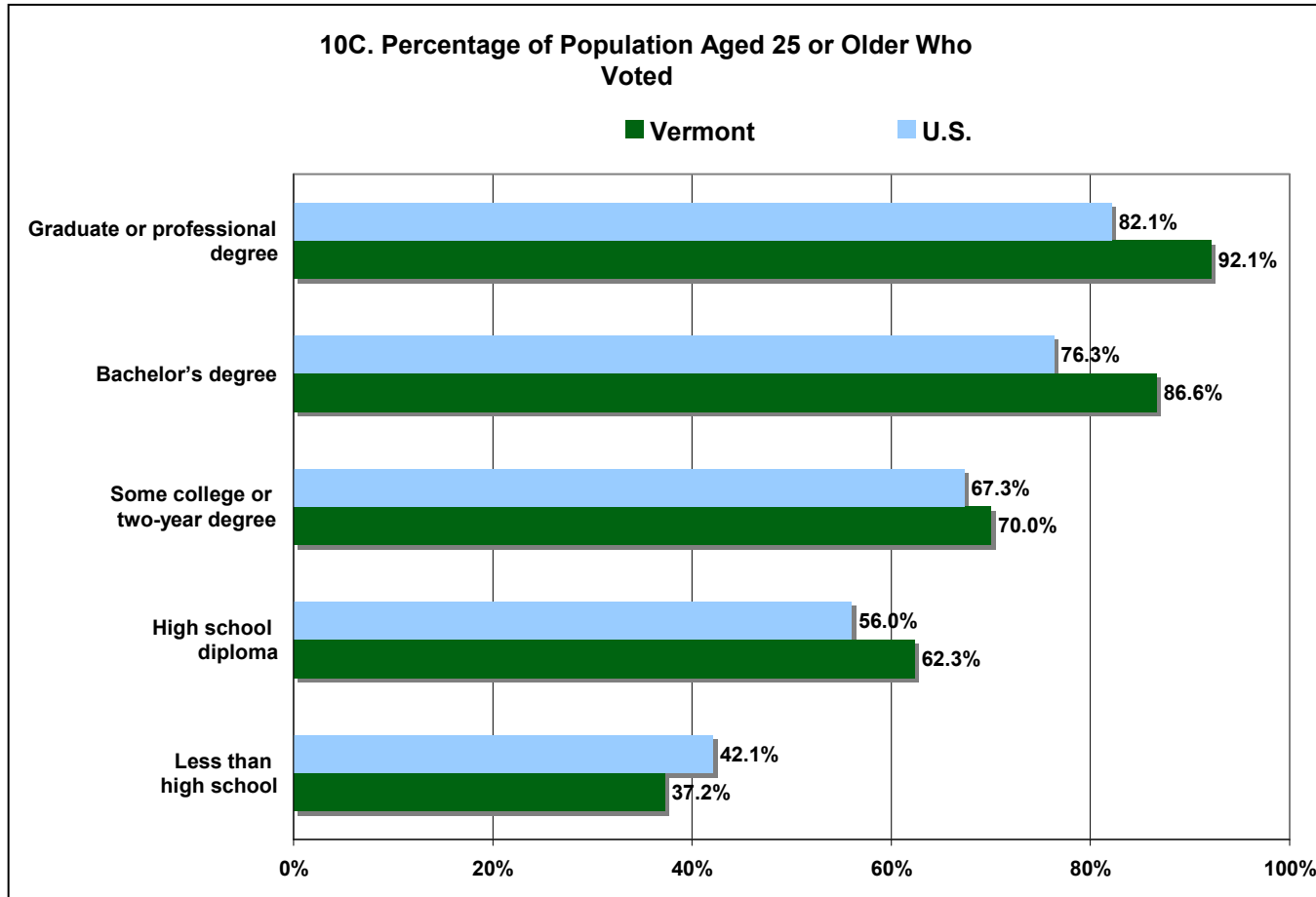
10B. Percentage of Population Aged 25 or Older by March 2004 Who Described Their Health as Good, Very Good or Excellent by Educational Attainment



Source: Institute for Higher Education Policy, February 2005.

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

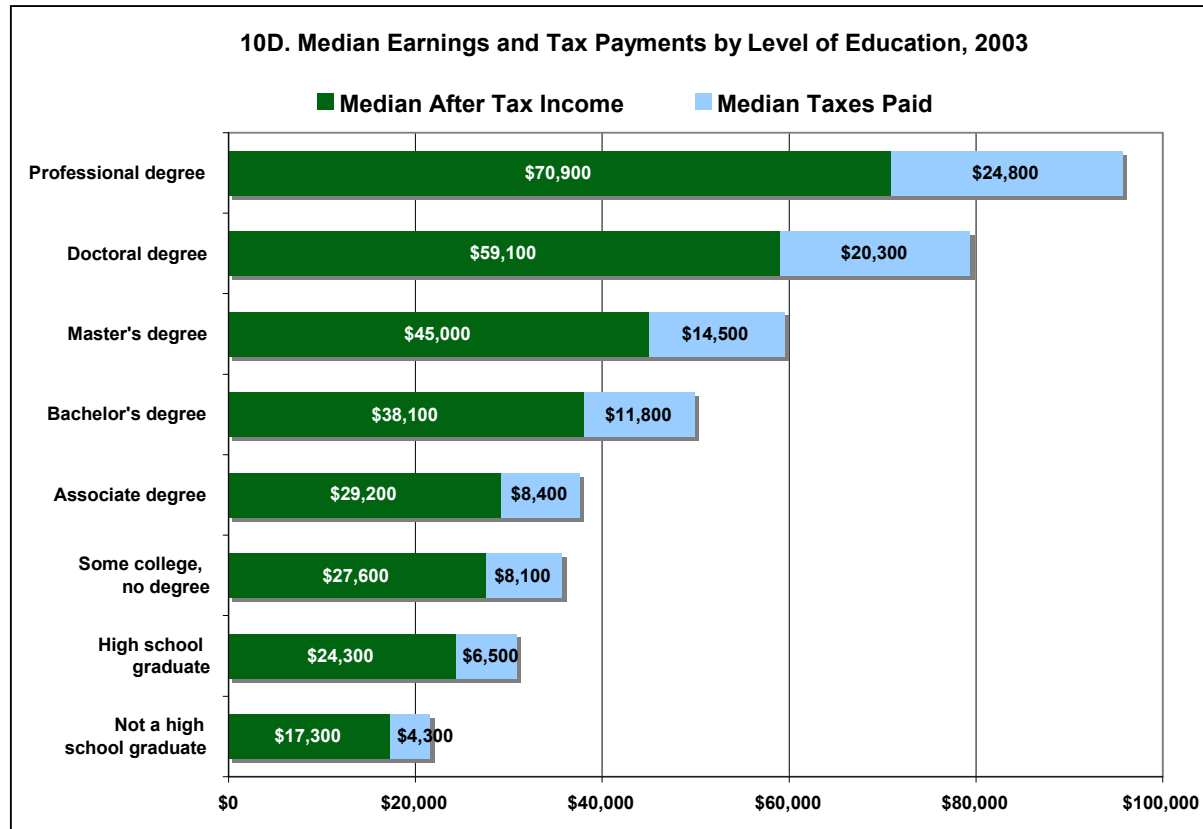
10C. Percentage of Population Aged 25 or Older Who Voted in the 2000 Election by Educational Attainment



Source: Institute for Higher Education Policy, February 2005.

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

10D. National median after tax income and taxes paid by degree attainment in 2003:



Source: Education Pays Update 2005. The College Board

Note: Earnings for year-round full-time workers 25 years and over.

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

11. BENCHMARK: College enrollment in targeted economic development and employment shortage areas:

11A. Nursing: Includes LPN, undergraduate, graduate, and post-masters certificate enrollments.

Fall	University of Vermont		Vermont State Colleges		AVIC		TOTAL	
	Enrollments	Graduates	Enrollments	Graduates	Enrollments	Graduates	Enrollments	Graduates
2004	382	100	370	165	278	43	1030	308
2005	393	100	385	263	263	44	1041	407
2006	379	92	385	261	320	41	1084	394
2007	400	98	386	281	319	87	1105	466
2008	409	---	392	---			801	---

11B. Special Education: Includes undergraduate and graduate enrollments.

Fall	University of Vermont		Vermont State Colleges		AVIC		TOTAL	
	Enrollments	Graduates	Enrollments	Graduates	Enrollments	Graduates	Enrollments	Graduates
2004	47	26	31	13	34	15	81	54
2005	50	25	29	16	36	16	115	57
2006	53	28	56	8	40	14	149	50
2007	48	26	49	19	37	17	134	62
2008	56	---	51	---			107	---

11C. Teacher Education

Fall	University of Vermont		Vermont State Colleges		AVIC		TOTAL	
	Enrollments	Graduates	Enrollments	Graduates	Enrollments	Graduates	Enrollments	Graduates
2004	808	267	843	169	368	110	2019	546
2005	777	220	861	132	375	121	2013	473
2006	741	250	869	103	410	95	2020	448
2007	649	207	866	169	393	120	1908	496
2008	701	---	816	---			1517	---

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

11D. Science, Mathematics, Engineering, and Technology: includes undergraduate and graduate enrollments.

Fall	University of Vermont		Vermont State Colleges		AVIC		TOTAL	
	Enrollments	Graduates	Enrollments	Graduates	Enrollments	Graduates	Enrollments	Graduates
2004	2,897	581	1,428	314	564	138	4889	1033
2005	3,063	614	1,521	315	621	167	5205	1096
2006	3,084	663	1,298	316	622	154	5004	1133
2007	3,236	620	1,381	275	594	173	5211	1068
2008	3,547	---	1,421	---			4968	---

11E. Non-traditional undergraduate enrollment: Fall 2001 and 2007 Headcount

Age	University of Vermont		Vermont State Colleges		AVIC		TOTAL	
	Fall 2001	Fall 2007	Fall 2001	Fall 2007	Fall 2001	Fall 2007	Fall 2001	Fall 2007
24 and younger	7,420	9,519	5,833	7,610	10,099	11,453	23,352	28,582
25 and older	1,144	983	4,771	4,443	2,372	1,540	8,287	6,966
Unknown	25	2	58	1	425	293	508	296
TOTAL	8,589	10,504	10,662	12,054	12,896	13,286	32,147	35,844
% 25 and older	13%	9%	45%	37%	18%	12%	26%	19%

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

Additional Institutional Benchmarks

12. BENCHMARK: Vermont State Colleges (VSC) Access and Affordability

12A. Containing Annual Increases in Tuition and Fees Rates

Sector	2006-2007	2007-2008	2008-2009	\$ Change since 06-07	% Change since 06-07
Two-Year Public National Average	\$2,266	\$2,294	\$2,402	\$136	6%
Community College of Vermont	\$4,284	\$4,507	\$4,780	\$496	12%
Four-Year Public National Average	\$5,804	\$6,191	\$6,585	\$781	13%
Castleton, Johnson, Lyndon State Colleges	\$6,828	\$7,243	\$7,684	\$856	13%
Vermont Technical College	\$8,364	\$8,947	\$9,484	\$1,120	13%

Sources: College Board: Trends in College Pricing, VSC Board of Trustees

Note: Percentage increases are those approved by the Board of Trustees; actual increases may vary by a tenth of percent due to rounding of tuition rates.

12B. First-Generation Enrollment of First-time, First-Year Students

First Generation College Enrollment among recent High School Graduates*	Fall 1999	Fall 2001	Fall 2003	Fall 2005	Fall 2006	% Points Change 1999-2006
National Average	54%	52%	54%	62%	56%	2%
Vermont Average	46%	45%	48%	54%	---	8%

**Parents with HS diploma or equivalent*

Sources: US Department of Commerce Current Population Survey (CPS, October Supplement); VSAC Senior Survey.

CHEF 5-yr Goal: 50% of high school graduates whose parents have no college experience are enrolled in college within 6 months of graduating from high school.

VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

12C. First-Generation Enrollment at the Vermont State Colleges

First Generation College Enrollment At Vermont State Colleges	Fall 2008
VSC (all degree seeking VT undergraduates)	57%
Castleton State College	58%
Johnson State College	46%
Lyndon State College	56%
Community College of Vermont	62%
Vermont Technical College	47%

Source: VSC Board of Trustees

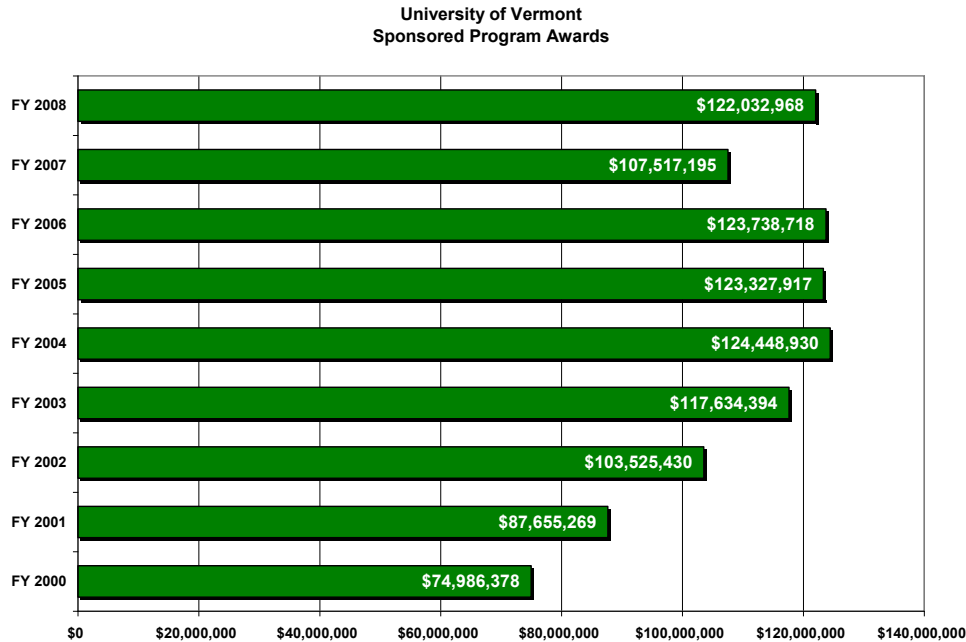
**VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008**

13. BENCHMARK: University of Vermont (UVM)

Sponsored Program Awards: grants and contracts awarded from outside sponsors for research, instruction, public service and extension:

FY 2000	\$74,986,378
FY 2001	\$87,655,269
FY 2002	\$103,525,430
FY 2003	\$117,634,394
FY 2004	\$124,448,930
FY 2005	\$123,327,917
FY 2006	\$123,738,718
FY 2007	\$107,517,195
FY 2008	\$122,032,968

UVM Goal: \$130,000,000



VERMONT COMMISSION ON HIGHER EDUCATION FUNDING
Major Benchmarks and Indicators-- 2008

14. BENCHMARK: Vermont Student Assistance Corporation (VSAC)

14A. Average net cost after all grant and scholarship aid is awarded (VSAC grant recipients only):

Vermont Institutions	Average Net Cost at Vermont Institutions					National Average*
	FY2005	FY2006	FY2007	FY2008	2005-2008 Percent Change	
Public 2-year	\$7,665	\$8,099	\$7,415	\$7,351	-4.1%	\$8,400
Public 4-year	\$10,074	\$10,209	\$10,901	\$11,048	9.7%	\$12,500
Private 4-year	\$16,069	\$16,969	\$18,427	\$18,886	17.5%	\$21,500

VSAC Goal: Average Net cost at or below national average

14B. Average net cost as a percent of income (VSAC grant recipients only):

Vermont Institutions	Average Net Cost as a Percent of Family Income				
	FY2005	FY2006	FY2007	FY2008	2005-2008 Percent Change
Public 2-year	31.4%	32.7%	29.3%	26.6%	-15.2%
Public 4-year	27.0%	26.6%	27.0%	25.5%	-5.9%
Private 4-year	37.4%	39.0%	40.7%	41.4%	10.5%

Source: VSAC

Note: Average net cost is equal to total cost (tuition, fees, room, board, books, and supplies) minus grant and scholarship aid (Pell, SEOG and VSAC grant aid, tuition waivers, institutional aid, and scholarships). The national averages are the most recent data available (2003-04).

Minutes of the Long Range Planning Committee meeting Thursday, June 25, 2015
APPROVED by the Committee Thursday, July 16, 2015

The Vermont State Colleges Board of Trustees Long Range Planning Committee conducted a meeting Thursday, June 25, 2015 at the Office of the Chancellor in Montpelier, Vermont.

Committee members present: Jerry Diamond (Chair), Kraig Hannum, Church Hindes, Karen Luneau, Heidi Pelletier

Absent: Tim Jerman

Other trustees present: Jim Masland, Martha O'Connor, Mike Pieciak

From the Chancellor's Office: Tricia Coates, Director of External & Governmental Affairs
Dianne Pollak, Chief Information Officer
Bill Reedy, General Counsel
Tom Robbins, CFO
Elaine Sopchak, Executive Assistant to the Chancellor
Jeb Spaulding, Chancellor
Yasmine Ziesler, Chief Academic & Academic Technology Officer

College Presidents: Dan Smith, Joyce Judy, Dave Wolk (by phone)

Guests: Aims McGuinness, National Center for Higher Education Management Systems
Michael Thomas, New England Board of Higher Education

From the Colleges: Scott Dikeman, Dean of Administration, Castleton State College
Tony Pepper, Academic Dean, Castleton State College
Beth Walsh, VSCUP President
Jeff Weld, Director of Marketing, Castleton State College

From the Public: Josh O'Gorman, VT Press Bureau
Amy Ash Nixon, VT Digger

Chair Diamond called the meeting to order at 12:03 p.m.

A. ITEMS FOR DISCUSSION AND ACTION

1. Approval of the minutes of the June 11, 2015 meeting

Trustee Pelletier moved and Trustee Luneau seconded the approval of the minutes. Chair Diamond asked that an addition be made to pages 6-7 of the minutes to include the list of traits of an “Ideal VSC” from last year’s strategic inquiry. The minutes, with Chair Diamond’s addition, were approved unanimously as amended.

2. Follow-up on information requests from the Committee

a. Presentation: Operational efficiencies at the VSC

Chancellor’s Office staff Yasmine Ziesler, Tom Robbins, Bill Reedy, and Dianne Pollak shared the range of shared services that are currently underway at the VSC, and suggested opportunities for further consolidation. A copy of their presentation is included in these minutes. Trustee Pelletier asked for a single page containing the opportunities recommended; this information is included in the minutes as well.

b. Academic programs at the VSC

c. Data on subsequent postsecondary enrollment of CCV students

The Committee briefly discussed the above information included in their meeting materials.

d. VSC Foundation update

CFO Robbins explained to the Committee that the VSC Foundation was established approximately 10 years ago. It accepts about 20 transactions, or \$30K in contributions per year, which are redirected to the colleges. It could be utilized a lot more. Chancellor Spaulding observed and Michael Thomas agreed that state system fundraising is increasing. Aims McGuinness added that the VSC will need resources to facilitate future collaborations and will need to develop those resources at the system level, but that fundraising will not be able to significantly supplant state appropriations or tuition.

e. Examples of small state higher education systems

Elaine Sopchak shared that the list included in the Committee’s materials covers twelve states with the smallest populations, six of which are under a million. There is

a variety of system organizations, from a single university with multiple campuses (like Penn State) to systems that contain universities, colleges, community colleges, and technical colleges. The overriding organizational factors in each of the state systems appear to be geography, location of the population, and the needs of the state. Aims McGuinness suggested that the Board not look to other states for a model but rather think about the needs of Vermont. President Smith noted that some universities, including UVM, are disaggregating their budgets by making their colleges function as individual profit centers as opposed to working more cohesively. Dr. McGuinness stated that he has observed universities that pursue that path often over time work to come back together. Trustee Luneau asked whether having statewide K-20 collaboration was advisable. Dr. McGuinness advised caution on this, citing Rhode Island as an example, stating that K-12 issues are so different that they overwhelm any attention to higher education; he added that K-12 and postsecondary education should still work together on a broader agenda. Michael Thomas emphasized distinguishing between coordination and governance is extremely important. Chancellor Spaulding reminded the group that Vermont does not have a state based oversight body for higher education. Dr. McGuinness added that Vermont also lacks a broader agenda and goals—which are not regulatory—that link K-12 and higher education. Chancellor Spaulding added that the VSC is awaiting news of a Lumina Foundation grant to help our colleges attain Vermont’s goal of 60% of residents holding a postsecondary credential. Trustee Hindes requested to clarify whether the governing bodies of small state systems listed are truly governing bodies or oversight/regulatory bodies. Dr. McGuinness suggested that system governing bodies need to have an understanding of and advocate for both the system and its constituent units and not just stay the middle course—governing bodies of larger systems don’t always understand this cross cutting role.

- f. Experiences of other colleges that have changed to universities
- g. Current Carnegie Classifications for the VSC
- h. Questions from the Committee regarding Castleton (moved to Item 3)

The Committee briefly discussed the above information included in their meeting materials.

3. Committee dialogue on the VSC system and Castleton with Aims McGuinness (NCHEMS) and Michael Thomas (NEBHE)

Chancellor Spaulding began by referring to an email he sent to Drs. McGuinness and Thomas regarding the scope of the conversation (this email is included in the minutes). There are two

basic questions the Board must answer: what kind of organization should the system have, and should Castleton State College become a university.

Dr. McGuinness: The VSC is already on the right track, and there is momentum on the Castleton decision. In his many years of experience he has seen a particular problem in using data to focus on establishing the needs of the state; defining the needs of the state and population rather than the needs of the institutions. Across the country there are no additional funds. The demand for education is up while resources are declining; indebtedness and family contributions are a serious problem.

Across the country, colleges that became universities and broadened their offerings to become something to everyone are often disappointed; they've maxed out on what they can charge students, have little state funding, and are no longer competitive in their markets. It is most important to have a clear sense of what the priorities are for the state. It must be recognized that it's important for "places" to exist and that regions continue to be served. This needs to be done in a dramatically different way, offering service through collaboration while still offering a range of services. A system must rethink how it functions so that it can be better connected with the state, make sure every region is served, and that the range of services can still be provided.

Dr. McGuinness stated that the VSC needs to increase its urgency another 50%, and make sure all constituencies are engaged. The VSC needs to reduce its cost while still offering quality services. A full service operation at each site is not feasible—individual sites must be able to access services at other sites. Currently it is not affordable to get to 60% of the population holding a postsecondary credential. Efforts like the Lumina grant and fully leveraging CCV will help. International students, private fundraising, and recruiting out of state students are not silver bullets; they are important, but not panaceas.

The VSC has a lot of great things happening but needs to work fast. A goal for the Board is to develop a clear sense of vision and a set of steps involving reasonable lines of work and taking the time to engage all constituents. For example, any student in the system should be able to access capabilities from another campus. What 2-3 areas can the VSC collaborate on that will allow that to happen? In addition to cross-constituent collaboration, the system must invest funds to accomplish this.

Dr. Thomas: The VSC is already in a good place. Regarding the future of system structure: be careful not to confuse a vision for systemness with a need for structural change. From the strategic inquiry process the Board already has some very good statements on how they want the system to work better for students. Put the state and the regions in the forefront of the planning: workforce needs, the future of higher education, and economic development, as well as the needs of the specific regions of the state.

The VSC does not need to have a structure like a Penn State. What the system could succeed as is a variation of what it already is: a well-integrated, comprehensive system of higher education with multiple institutions and degrees, but find a way to bring it together in as effective and high functioning a way as possible. Do not use resources to change that system but instead find a way to engage constituencies across institutions and functional areas, and actually put together a work plan and timeframe.

As Dr. McGuinness suggested, the VSC should be able to provide greater sets of options and opportunities to students in every area of the state. For the student who is not mobile, the VSC should create maximum opportunities to give them as broad a set of choices across our excellent and diverse institutions as possible. Dr. McGuinness emphasized that students learn at a location. Accreditation for individual institutions is important—the VSC should not seek one single accreditation. The quality of student services and core faculty that pay attention to student learning at each site is essential. It is better to have a system of different outstanding places that create synergy by working together. Financial aid is another student services area to focus on; for example, SUNY is trying to establish a single Title IV entity so students don't have to go through the financial aid process in multiple places.

Trustee Pelletier stated she is encouraged that Dr. McGuinness and Dr. Thomas think the VSC is on the right track but needs to just step it up. Dr. McGuinness observed that much of the Board's work is data free; he has not found that the Board has a business plan that addresses the needs of Vermont, and though there are policies and procedures, the ends are not clear. Identifying the goals will help on the plan forward. Dr. McGuinness noted that the VSC has reached its goals with bachelor's degrees but is lacking at the associate's and certificate level and suggested allocating meager state funds there. He also recommended that the Board needs basic indicators, including those that point out the VSC serves the most Vermonters.

Trustee Luneau inquired about the possibility of colleges in the region sharing specialty programs. Dr. Thomas answered that is very challenging, and suggested that the VSC investigate opportunities with private schools in Vermont and bridge the public/private college divide. High-cost, low enrolled programs are suitable opportunities for collaboration like this. In terms of the state's needs, it's important to think of strategically important but vulnerable programs, which often are in the STEM fields; possibly the system could do some joint programming. Dr. McGuinness suggested what's more important is the connection of higher education to the regions where it's located. Vermont must identify those high need, low number programs and think of how to maintain them across the system to get enrollment up and improve their finances.

Trustee Masland stated that he likes the term "faculty teams" and encouraged the Board to explore that further. He also stated that workforce programs tend to address an immediate need

and suggested offering workforce development opportunities in a more systemic way. He stated that the Department of Labor may know what the state's regions need, but he has not heard a Board conversation about what can be done with that information.

Chancellor Spaulding stated an aspiration for system could be that students at each college could be able to access programs at one of our other colleges without leaving their own campus. Dr. McGuinness said the key to this is not actually the technology behind it but rather the quality of the student services at each locality. He added that students are not as mobile as we think: jobs, relationships, transportation limitations keep them rooted in place. The VSC can be experts at student services in place, and set a goal to accomplish it, engaging people to identify how it could work and what the practical barriers might be.

Trustee Hannum asked about the impact Keene State's switch to a university had on its sister institutions Plymouth State and Granite State. Dr. McGuinness informed the Committee that he and Dr. Thomas both feel the Board should approve Castleton's university designation. He told the Committee that changing to university status has marginal effect on increasing enrollment or recruitment of international students, but it means a lot to institutions in terms of internal culture and pride of the community.

Another possibility to watch for is for an institution to creep into a cost model that it can't afford. He recommends the change for Castleton but stated the Board should be realistic about the outcome. Keene's change did not negatively impact Plymouth State or Granite State. A potential negative impact is mission creep regarding faculty: changes that can occur to faculty workload, research capability, quantity of graduate programs. It is a matter of culture and perception rather than control and the Board must be very clear on what the institution's mission is.

Dr. Thomas strongly suggested that the VSC consider pooling its resources and seek consulting help to discuss enrollment at the VSC as a system and not as individual institutions. Chancellor Spaulding requested Dr. Thomas provide some referrals for this purpose.

Chair Diamond asked to confirm that the option of a single accreditation (option 1) should not be considered, and that options 2 and 3 could still be considered. Dr. McGuinness clarified that each institution should be individually accredited, but there could be an additional system accreditation that could offer degrees at multiple sites. [Open SUNY/Empire State](#) is an example of this: distance learning that allows students to take courses throughout the system and still get a degree from a single institution. The Board must decide what is to be done and the colleges decide how it can be done.

Chair Diamond asked about the possibility of confusion in regards to name changes. Dr. Thomas answered that option 2 seems the most confusing. Option 3, especially as far as students are concerned, seems the least disruptive as students are more inclined to identify with an institution

rather than a system. With option 2, potentially all the institutions and the system itself would change names; the benefit of being a comprehensive system of diverse institutions is not compatible with option 2. Dr. Thomas stated the VSC should spend its limited resources more on the system vision and ability to serve the state and not on structural and/or large scale branding change.

Dr. McGuinness emphasized that the Board has a large agenda and needs clear goals for the system. He suggested devoting time to a) the system; b) each individual institution; and c) statewide needs. The Board should sit down with each president and identify what is preventing each institution from meeting its mission. Spend as little time as possible on ministerial stuff—use consent agendas. He suggested creating some criteria and principles for institutions to follow; for example: respect place while recognizing the benefit of synergy between places. Another could be: make sure there is differentiation between institutions. President Smith stated that a president would find that kind of guidance from the Board very helpful and meaningful.

At this time Chair Diamond invited Castleton State College President Dave Wolk to respond to the conversation. President Wolk addressed the Committee's questions from the previous meeting. Question 1 concerned the impact Castleton's name change would have on students. President Wolk answered that Castleton will continue to be the relationship based, personalized education institution it's always been. Classes will remain small and the undergraduate experience would not change markedly except for the fact that there would be more international students, making it a more global community. There is a concern among students about cost, and so they are emphasizing the 2017 tuition freeze, and President Wolk is confident the Board will continue exercising restraint on tuition.

Question 2 was the same question, only aimed at faculty. There will still be the same bargaining units, same personalized education, same small classes, and faculty will continue to do research. They are becoming a teaching university, not a research university, remaining focused on student-teacher interaction. They will continue engaging in undergraduate research, which according to policy is externally funded. They will incrementally, not drastically, increase enrollment in the near term. They are following the Castleton Plan, particularly the entrepreneurial ventures, for the benefit of Vermont.

Question 3 was addressed at the last meeting, and President Wolk encouraged Board members to talk to the other presidents. President Wolk acknowledged that state resources are limited; therefore Castleton cannot stand still in light of funding options. Growth in graduate programming and entrepreneurial ventures will be most important. Castleton's international recruitment is also essential and has been in development for many years.

Regarding Question 4, the communications plan for the change, Castleton Director of Marketing Jeff Weld gave a brief overview of the marketing plan (these materials are included in the minutes).

Trustee Luneau asked President Wolk's opinion on the possibility of changes in faculty culture. President Wolk responded that the same bargaining agreements are in effect for all institutions in the system. The goal is to continue to be the kind of teaching institution Castleton has always been. There is great excitement among faculty about the change. Dr. McGuinness asked what benchmarks the Board might use to monitor progress and look for changes. President Wolk suggested that current benchmarks already in use, plus graduate enrollment, international student enrollment, and figures on entrepreneurial ventures that reveal the numbers of students and businesses served, and revenue generated.

Dr. Thomas recommended that the Board compose a document featuring all the colleges' mission statements, along with the system's, and refer to these regularly, using it for guidance when decisions need to be made. A draft of this document is included in the minutes.

At this time Trustee Hannum asked the Committee what steps need to be taken next to finalize the discussion and make a decision. He asked Chancellor Spaulding for his opinion and suggestions on how next to proceed. Chancellor Spaulding stated that he had hoped the Committee would be ready to make a recommendation to the full Board for a vote at its July 23rd meeting. He stated we should continue building our current, comprehensive system of distinct institutions for the benefit of Vermont. He would like to turn Trustee Hindes' suggestion of "admit to one, go to five" into a reality, maximize cost efficiencies, and make education as affordable as possible. He feels strongly that a decision on the system needs to come before a decision on Castleton. He favors a comprehensive system that allows students to do everything from get a credential to a two-year degree, to attend a small liberal arts college or a small university.

Trustee Luneau stated that she is more comfortable with the decision at this time and prefers different schools with seamless opportunities—option 3. She stated the system needs a rebranding and maybe a new name. She supports Castleton's name change as long as there are benchmarks to prevent the "university slide" to which Dr. McGuinness referred.

Trustee Hindes thanked Dr. McGuinness and Dr. Thomas for their expertise and shared that there are many other concerns the Board must address. He agrees with Trustee Luneau that a name change for Castleton won't preclude options for the system. He is concerned about unintended consequences that might arise from the change, though he has the strongest confidence in President Wolk's leadership.

Trustee Pelletier is not opposed to changing the name of Castleton. She too is concerned about the unintended consequences and wants to explore what they could be. She is willing to make a decision on July 23rd. In terms of a system, she is very comfortable with option 3.

Trustee Hannum stated he does not want to hold Castleton up. He feels the Board needs to think about the change's effect on the other schools in the system. He wants to move forward with making the system as strong as possible and working on rebranding.

Trustee Masland said he is now comfortable with the Castleton name change. He agrees that rebranding the system is in order but the Board must do it carefully, and emphasized that it cannot be pretentious.

President Smith reminded the group that the VSC has 3.5 times the number of Vermont undergraduates than any other college in the state. The presidents are counting on the Board to send the message of our five institutions' footprint and impact on Vermont.

Trustee Pieciak stated he is looking forward to discussing the Castleton name change with the entire Board. Regarding the system, he emphasized that not duplicating non-core functions is important.

Chair O'Connor asked that Trustees bring any other concerns or questions to Chancellor Spaulding. Her hope is that at the Committee meeting on July 16th all the questions will be asked and answered, and that on July 23rd the Board can vote on both the system and Castleton. She reminded the Board they appointed a chancellor and wanted him ready to move, and the Board should let him lead, and listen to the advice of our trusted presidents.

Trustee Luneau stated it is important to her that the entire Board is comfortable and makes the choice that's best for the system from the options presented.

Community College of Vermont President Joyce Judy stated she would like to see the Board make both decisions because it is too confusing to the public to make only one. Changing the VSC name is very important if Castleton is to become a university; having Castleton University adds value to the whole system. She referred to Dr. McGuinness' comments regarding place and explained that CCV students identify with their individual sites where they take classes. We need to identify the benefits of the system for students and then make it easy for students to access them.

Trustee Pelletier and Chair Diamond both asked Chancellor's Office staff to provide an actual proposal for system name change at the next meeting. Chancellor Spaulding will provide a comprehensive resolution on system change, and the approval of Castleton University. The

proposal can include a process for how to resolve the name change in conjunction with system change. Chancellor Spaulding suggested inviting each college's marketing staff to come to the Board's retreat to help think the process through. Before this, the Board should get back to establishing the principles and goals that will help guide these decisions.

Chair Diamond suggested that at the next Committee meeting they could discuss potential unintended consequences of Castleton's name change, as well as some possible benchmarks. Castleton Academic Dean Tony Peffer suggested that the Committee refer to Castleton's strategic plan for benchmarks and expectations already taken into account.

Dr. Thomas stated the Board must define and declare the purpose, vision, and mission of the system. It should determine the key conversations it should have and identify all the constituents involved. Dr. McGuinness suggested obtaining a statement of support from UVM, and establish how UVM and the VSC complement each other.

Beth Walsh suggested surveying communities in the state, and the campuses, on a system name change, and create opportunities for dialog around the question.

4. Discussion of items for the July 16th Committee meeting agenda
5. Next steps

There was no further discussion of these items. Chair Diamond and Chancellor Spaulding thanked Dr. McGuinness and Dr. Thomas for their expertise and for their time in helping the VSC chart its future direction. The meeting adjourned at 4 p.m.

Mission of the Vermont State Colleges

For the benefit of Vermont, the Vermont State Colleges provide affordable, high quality, student-centered and accessible education, fully integrating professional, liberal, and career study.

This integrated education, in conjunction with applied learning experiences, assures that graduates of VSC programs will:

- 1 Demonstrate competence in communication, research and critical thinking;
- 2 Practice creative problem-solving both individually and collaboratively;
- 3 Be engaged, effective, and responsible citizens;
- 4 Bring to the workplace appropriate skills and an appreciation of work quality and ethics;
- 5 Embrace the necessity and joy of lifelong learning.

The Vermont State Colleges also offer numerous opportunities for others to engage in continuous learning to meet their specific goals.

Mission of Castleton State College

Castleton, the 18th oldest institution of higher education in the United States, emphasizes undergraduate liberal arts and professional education while also offering selected graduate programs.

The College is dedicated to the intellectual and personal growth of students through excellence in teaching, close student-faculty interaction, numerous opportunities for outside-the-classroom learning, and an active and supportive campus community. Castleton strives to learn, use, and teach sustainable practices. The College prepares its graduates for meaningful careers; further academic pursuits; and engaged, environmentally responsible citizenship.

As a member of the Vermont State Colleges, Castleton is committed to supporting and improving the region's communities, schools, organizations, businesses, and environment.

Mission of Community College of Vermont

The Community College of Vermont, a Vermont State College, supports and challenges all students in meeting their educational goals through an abiding commitment to access, affordability, and student success.

Mission of Johnson State College

Johnson State College believes in the power of higher education to transform lives. We express this belief by providing an education that crosses academic and other boundaries wherever possible; by creating opportunities for students to extend their classroom learning to the field, the laboratory, the studio, the community and the local and wider world; by recognizing and supporting the diverse starting points and goals of students while setting high standards; and by fostering active participation, vigorous debate and mutual respect.

Lyndon State College Mission

Lyndon State College prepares every student for personal and professional success through experience-based, high-quality programs in the liberal arts and professional studies.

THE VIEW **FROM THE TOP**

What Presidents Think About
Financial Sustainability, Student Outcomes,
and the Future of Higher Education



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ARE YOUR HR & FINANCE SYSTEMS TURNING YOU INTO A



OR ARE THEY BUILT FOR THE FUTURE?

Your HR and finance systems can't evolve. They turn analysis into a best guess. They are costly to maintain and difficult to change. But there is an alternative. A system that is built to adapt, to work in the cloud, and to be infinitely flexible. One that is cheaper and faster to deploy than yet another upgrade. Workday is your strategic edge.

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The View from the Top: What Presidents Think About Financial Sustainability, Student Outcomes, and the Future of Higher Education is based on a survey conducted by Maguire Associates, Inc., was written by Jeffrey J. Selingo, contributing editor at The Chronicle of Higher Education, Inc. and is sponsored by Workday. The Chronicle is fully responsible for the report's editorial content. Copyright © 2015.

EXECUTIVE SUMMARY

Two-thirds of college and university presidents feel that American higher education is going in the wrong direction.

American higher education has been under extreme pressures for nearly a decade from a perfect storm of financial, political, demographic, and technological forces. The Great Recession of 2008 put the brakes on what always had seemed like a growing stream of revenues and students for many colleges and universities. As tuition costs spiraled ever upward and family income stagnated, institutional leaders began to consider whether they were entering a “new normal,” where their expectations of future growth would need to be reconsidered, and in some cases, require a radical makeover.

At the same time, the Obama Administration was shining a spotlight on higher education, demanding better outcomes for the tens of billions of dollars the federal government

spends annually on student aid. Colleges and universities, which had long considered Democrats friendlier to their interests than Republicans, wondered if they had any allies in Washington.

College and university presidents, in particular, felt the convergence of these pressures on their institutions as they responded to internal and external questions about the sustainability of the higher-education business model from faculty, students, alumni, and policymakers.

The seemingly never-ending list of worries year after year is beginning to crack the confidence of college leaders. An extensive survey of college and university presidents, conducted by The Chronicle of Higher Education in January 2015,

found that two-thirds of them feel that American higher education is going in the wrong direction, with public college leaders worried about the decline of state financial support and leaders of private institutions most concerned with the intense competition for students.

The survey, completed by nearly 400 presidents at four-year colleges, focused on their attitudes about financial sustainability, college rankings, and student outcomes. Among the findings of the survey:



STATE OF THE ECONOMY

Overall, presidents are optimistic about the state of the U.S. economy even as they worry about the financial sustainability of their own institutions. Public-college presidents are more concerned about the ability of institutions like theirs to survive in the next decade than are private-college leaders about their campuses.



STUDENTS AND TUITION DISCOUNTS

The decline in the number of high school graduates in many parts of the country in recent years has impacted public colleges more than private colleges. Meanwhile, private institutions have been able to fill their classroom seats largely by adjusting their tuition discount rates more often than public colleges.



FEDERAL GOVERNMENT RATINGS

College presidents from both the private and public sectors found one common point of agreement in the survey: their opposition to the federal government's plan to publish ratings of institutions. Nearly half of the presidents from private sector institutions think it is inappropriate for the government to rate their colleges.



FAVORED METRICS FOR MEASUREMENT

However, if the federal government is successful in its attempts to rate colleges, presidents would most like policymakers to focus on completion rates, average net price, and percentage of students receiving Pell Grants. Presidents oppose using transfer rates and graduate school attendance as metrics.



RANKINGS

Among the increasing number of ways to rate colleges, presidents still say that the annual U.S. News & World Report college rankings remain by far the most influential. Six in 10 presidents say the rankings have about the same or more influence compared to a decade ago.



LAUNCHING AFTER GRADUATION

Despite surveys that say experience matters more to employers than academic background, college presidents still believe that what's learned in the classroom is most important when students are seeking jobs after graduation.



INTRODUCTION

No doubt about it: Running a college or university has become a much more difficult job since the onset of the housing crisis that touched off a global economic slowdown in 2008. Since then, the financial underpinnings that supported higher education for generations weakened considerably for all but a few hundred of the wealthiest institutions. Everything is more difficult now: recruiting students, finding new revenue sources to make up for losses in state appropriations, and raising private dollars in a much more competitive market.

As a result, college presidents are under pressure to perform—some say to work miracles—from their boards, faculty members, and students. Notwithstanding their paychecks, the past few years have not been kind to college presidents and chancellors, as several high-profile leaders have either resigned or left for other gigs:

Michael K. Young at the University of Washington, Rebecca Chopp at Swarthmore College, Michael R. Gottfredson at the University of Oregon, and Edward L. Ayers at the University of Richmond. Many on the roster were at large public universities, but the battle scars are just as deep at tuition-dependent private colleges struggling with the effects of a bad economy.

Demographic trends tell us that we're about to enter a period of profound change in the corner office on campuses. The average age of college presidents is 61, according to a survey by the American Council on Education. Nearly six in 10 presidents are 61 or older, a proportion that has grown in recent years. Nearly one-third of presidents who answered this Chronicle survey said that it was "very likely" or "extremely likely" that they would retire in the next five years.

These veteran presidents are considering retirement just as the higher-education landscape is changing for a new generation of college leaders who will confront a host of emerging concerns from measuring student outcomes to new regulations from Washington.

Presidents and their boards must better prepare for this future, with a strategy for the financial sustainability of their institutions and a plan for training their successors. This brief attempts to inform those discussions. It is based on a survey of college and university presidents that explores their attitudes about the future of higher education, the financial sustainability of their institutions, and how to measure and report student outcomes.

A BROKEN ECONOMIC MODEL

The tumult in the financial stability of the higher-education business model is coupled with a major shift in student demographics.

The disruption that technology has inflicted on music, bricks-and-mortar retailers, and publishing over the past decade is often used to illustrate what is about to happen in higher education. The narrative goes something like this: Traditional colleges, particularly the many that are in the middle of the pack but charge high prices, will lose out to nimbler, cheaper competitors offering degrees on flexible timelines, either in hybrid format (in-person and online) or fully online.

This forecast comes with its own set of headline-grabbing predictions about the number of institutions that will go out of business as a result. Clayton M. Christensen, a Harvard Business School professor and champion of disruptive innovation, has suggested that the bottom 25 percent of every tier of colleges will disappear or merge in the next 10 to 15 years.

While college presidents tend not to agree with Christensen's dire prediction, they generally are pessimistic about the financial stability of higher education. This comes even as they remain generally optimistic about the overall state of the economy. Six in 10 presidents say that the higher-education industry is going in the wrong direction. That's about the same number who are more hopeful about the U.S. economy compared to a year ago (see Figure 1). When asked about the financial prospects of their own campuses, private-college presidents were much more confident in the future than public-college leaders, who have seen their state appropriations trimmed significantly in recent years (see Figure 2).

FIGURE 1:
THE STATE OF THE ECONOMY **vs.** THE STATE OF HIGHER EDUCATION

Compared with one year ago, how do you feel about the general state of the U.S. economy?

Thinking about the financial stability of the higher-education industry overall in the United States today, do you think it is generally going in the right direction or the wrong direction?

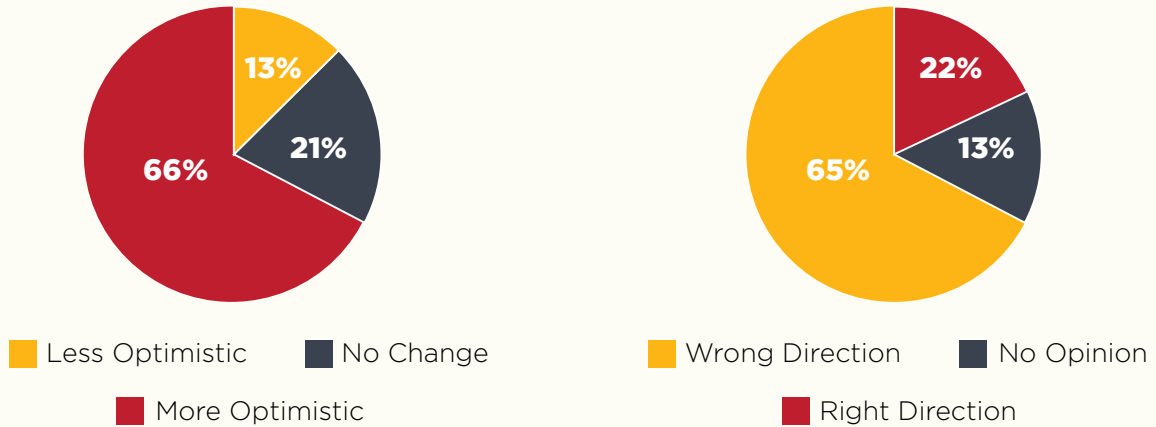
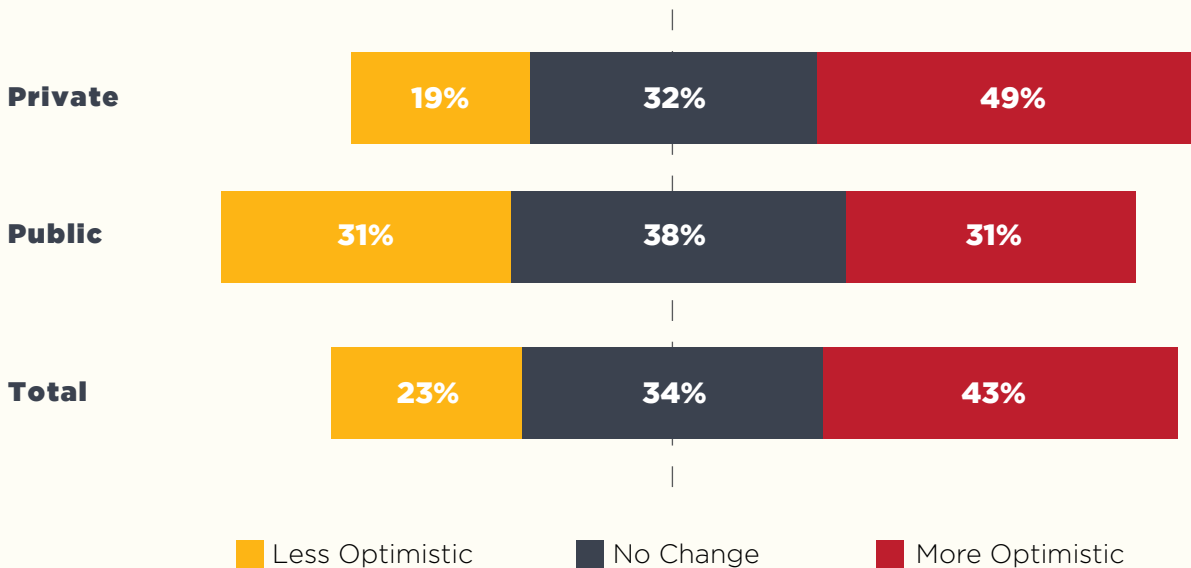


FIGURE 2:
PRIVATE-COLLEGE LEADERS MORE BULLISH ON THEIR OWN FUTURES



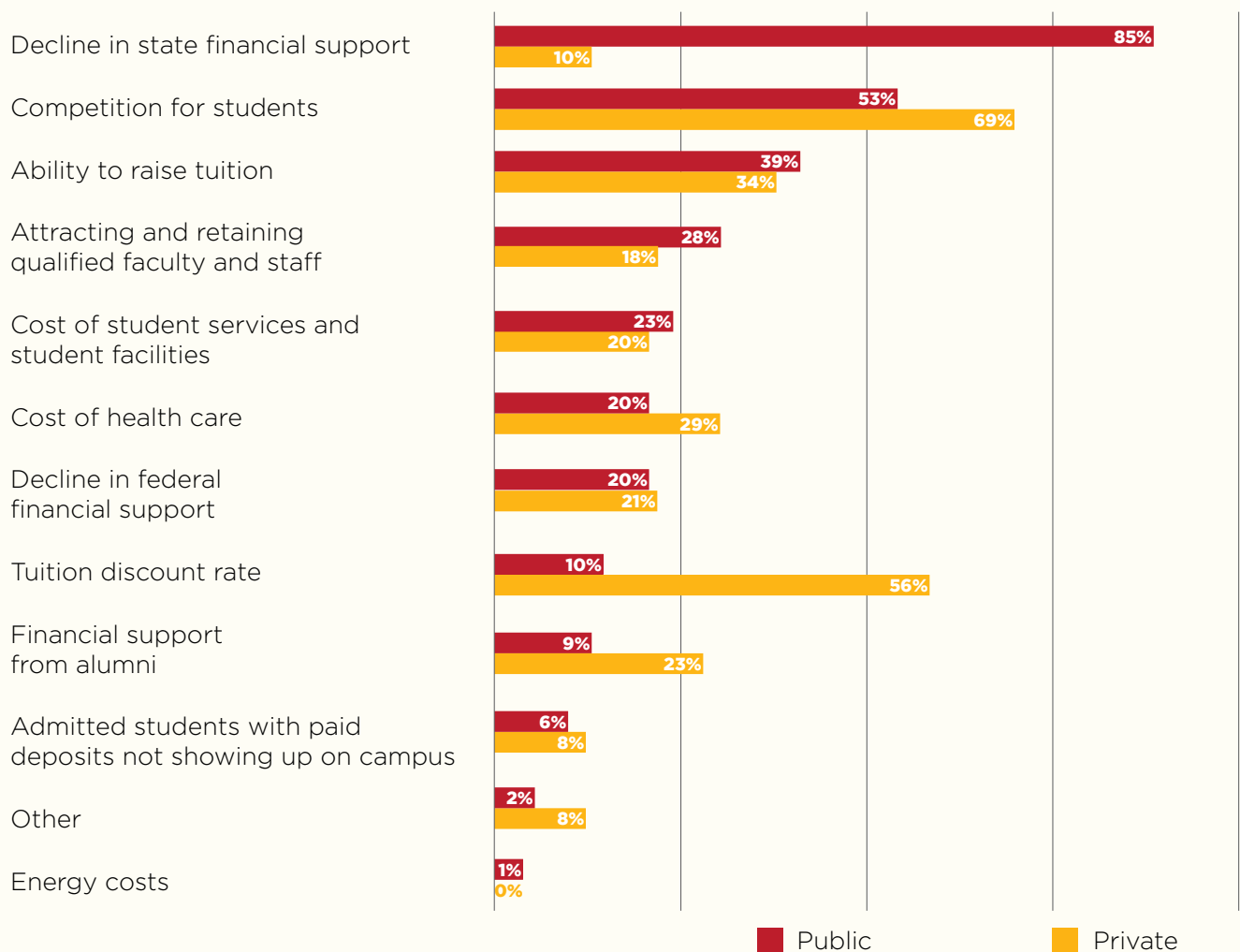
The host of pressing issues facing college leaders these days is extensive. When asked what most worries them as they enter 2015, the concerns of many presidents clustered around a few key issues. A clear majority of public-college executives, for example, are worried about declining state financial support. For their part, private-college presidents are concerned

about the competition for students. One-third of presidents in both sectors cited their ability to raise tuition as a major worry (see Figure 3).

The tumult in the financial stability of the higher-education business model is coupled with a major shift in student demographics. In half of the states, more young children are

Asian, and in nearly every state more are Hispanic, according to an analysis published in 2014 by The Chronicle. In many states in the Northeast and Midwest, the number of high-school graduates is dropping, and almost everywhere median family income is falling.

FIGURE 3:
THE BIGGEST WORRIES OF PRESIDENTS IN 2015



Nearly half of presidents surveyed by The Chronicle say their institution is feeling the effects of these demographic changes. The impact of smaller high-school graduating classes is most apparent among public-college presidents who tend to draw their applicants from specific regions within their state. Presidents at private institutions see the effects of lower socioeconomic status of applicants more than their

public-college counterparts largely because they give out more of their own dollars in financial aid. And both sectors are feeling the effects of the changing racial and ethnic mix of students (see Figure 4).

Nearly every college, of course, is searching for new revenue streams. Increased fund raising from private sources is the No. 1 strategy that both

public and private institutions are employing in the hunt for new funds. In addition, private institutions see new graduate programs as potentially lucrative while public universities view online programs as a source for new cash (see Figure 5).

FIGURE 4:
HOW COLLEGES ARE FEELING THE EFFECTS OF SHIFTING DEMOGRAPHICS

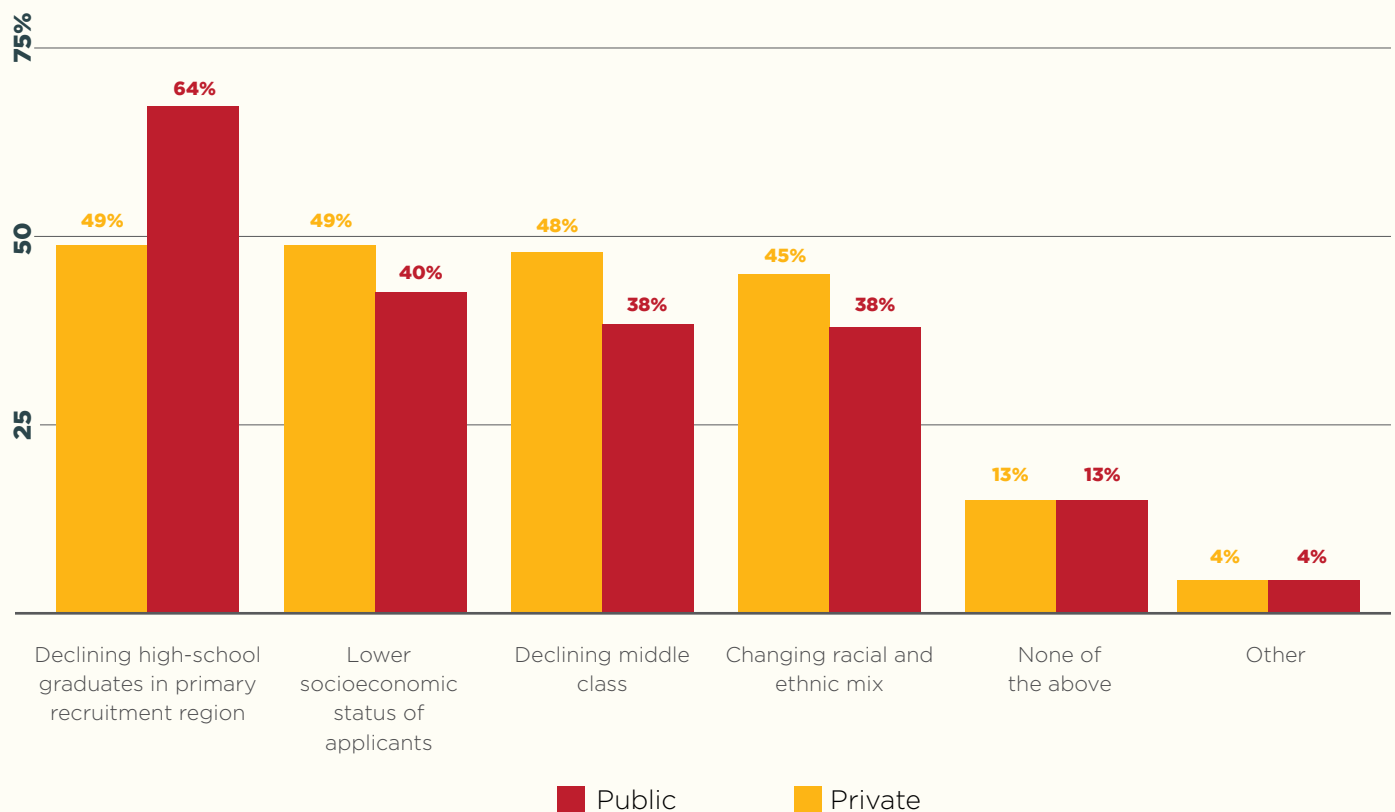
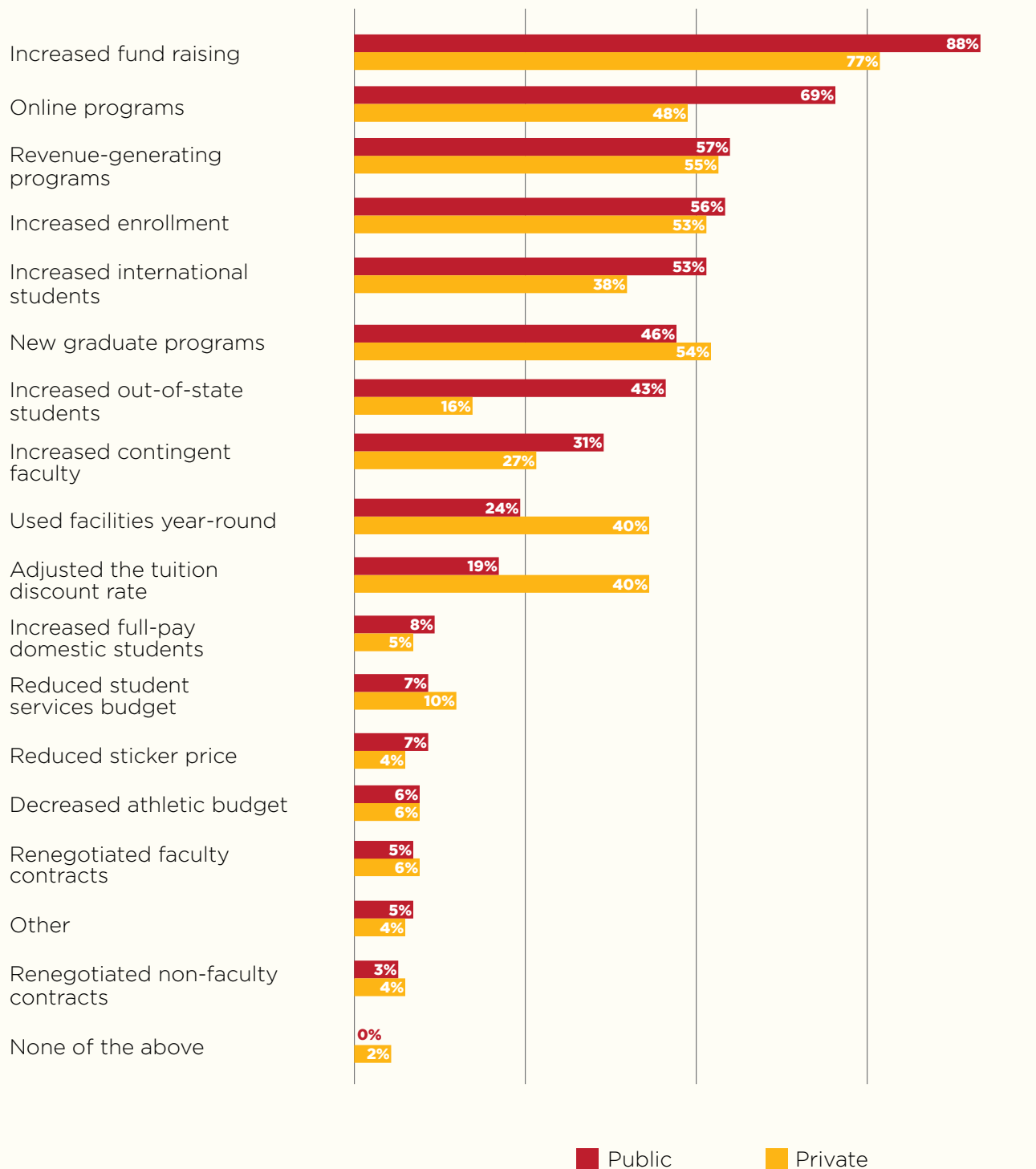


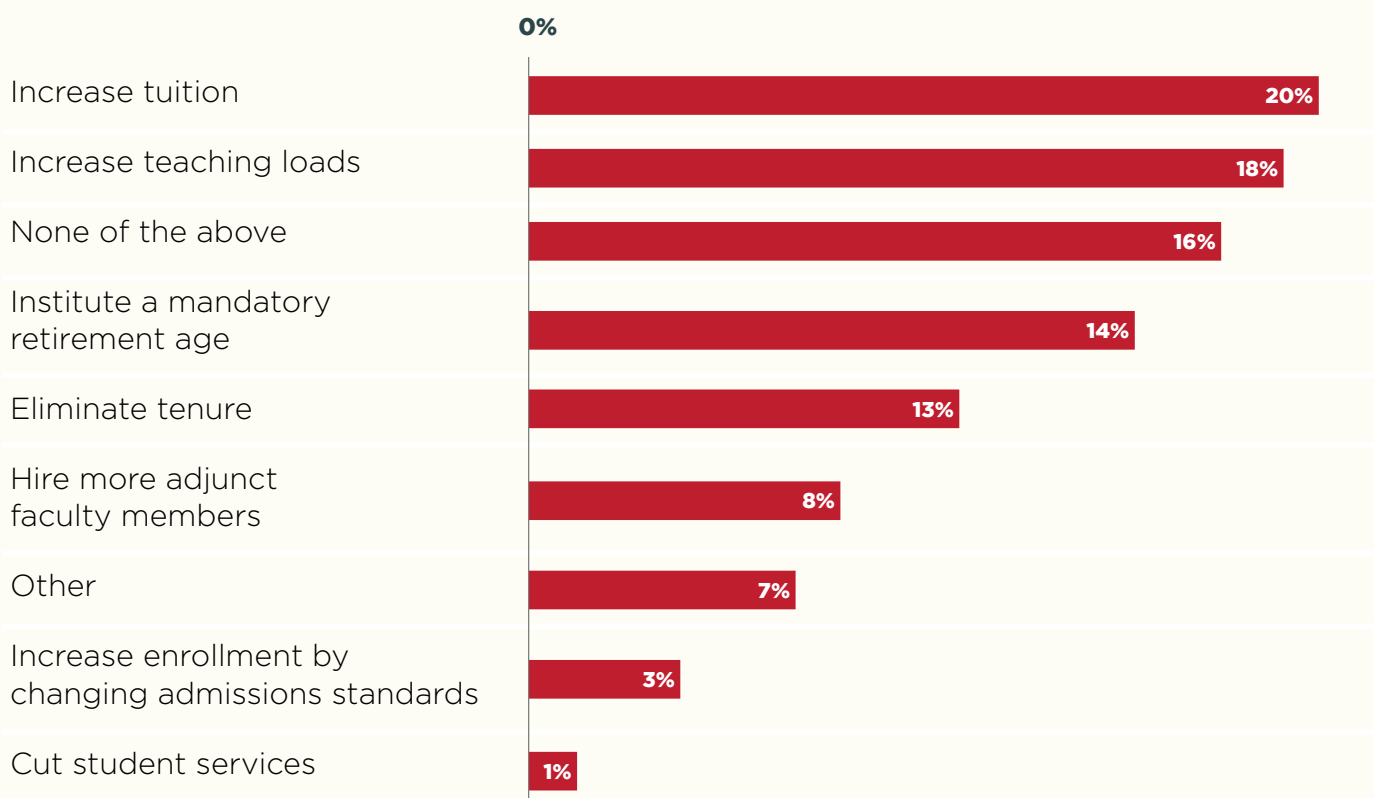
FIGURE 5:
ACTIONS COLLEGE PRESIDENTS ARE TAKING TO BOOST REVENUES



When presidents were asked what one strategy they would use to cut costs or raise new revenue if they didn't have to worry about the consequences among their constituents, many took aim almost equally at students and faculty. Twenty percent of presidents said they would boost tuition and another 18 percent said they would increase teaching loads. What's more revealing, perhaps,

is that 16 percent of leaders didn't choose any of the options presented. Even when given a pass from the potential consequences of their actions, presidents remain reluctant to make major changes on their campuses (see Figure 6).

FIGURE 6: STRATEGIES PRESIDENTS WOULD CONSIDER IF THEY DIDN'T HAVE TO WORRY ABOUT THE CONSEQUENCES



THE RETURN ON INVESTMENT OF COLLEGE: STUDENT OUTCOMES

Much has been made in recent years about the value of a college degree, given the grim state of the economy for recent college graduates. Unemployment remains high among those with newly minted bachelor's degrees. And an estimated 50 percent of recent college graduates are underemployed, meaning they are working in jobs that do not require a bachelor's degree. One-third of presidents in the survey said that it's more difficult for their students to launch their careers compared to 10 years ago.

No matter what the job market holds for their graduates, presidents believe they have armed students with the right skills for today's workplace. Some three-fourths of campus executives believe their students are either well prepared or very well prepared for the

job search, with presidents of private colleges the most confident (see Figure 7). Perhaps one reason presidents are so confident is that the issue of job preparedness is discussed much more on campuses now than in the past. Three-quarters of college leaders said there are more conversations about getting ready for the job market today compared to just three years ago (see Figure 8).

A majority of college presidents believe the four-year bachelor's degree is worth more in today's job market than it was five years ago.

FIGURE 7:
HOW WELL PREPARED STUDENTS ARE FOR THE JOB SEARCH

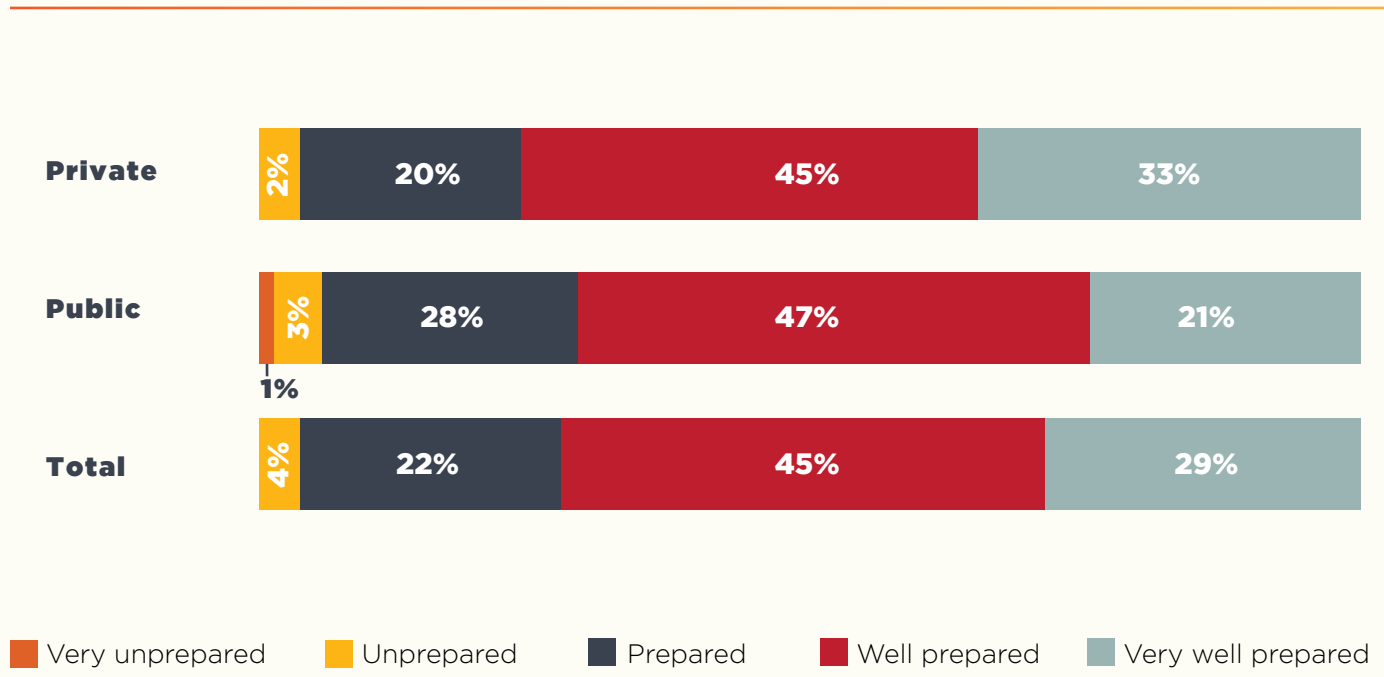
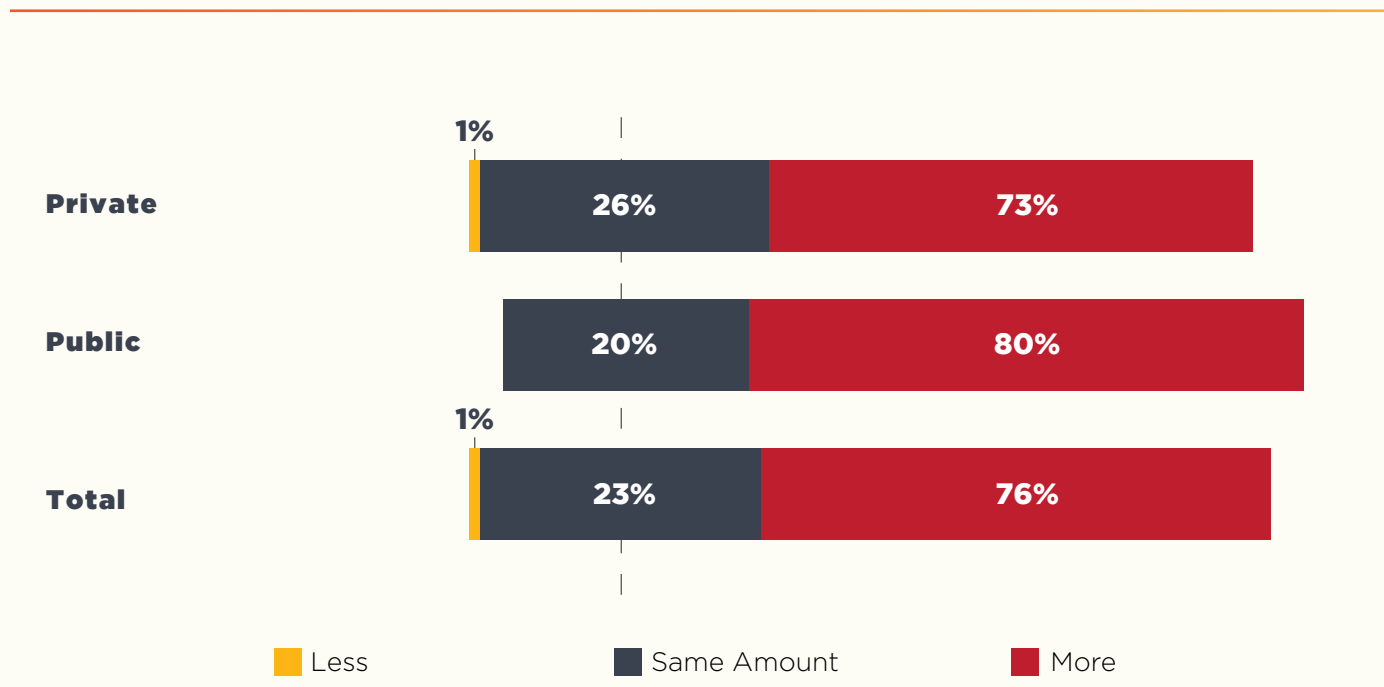


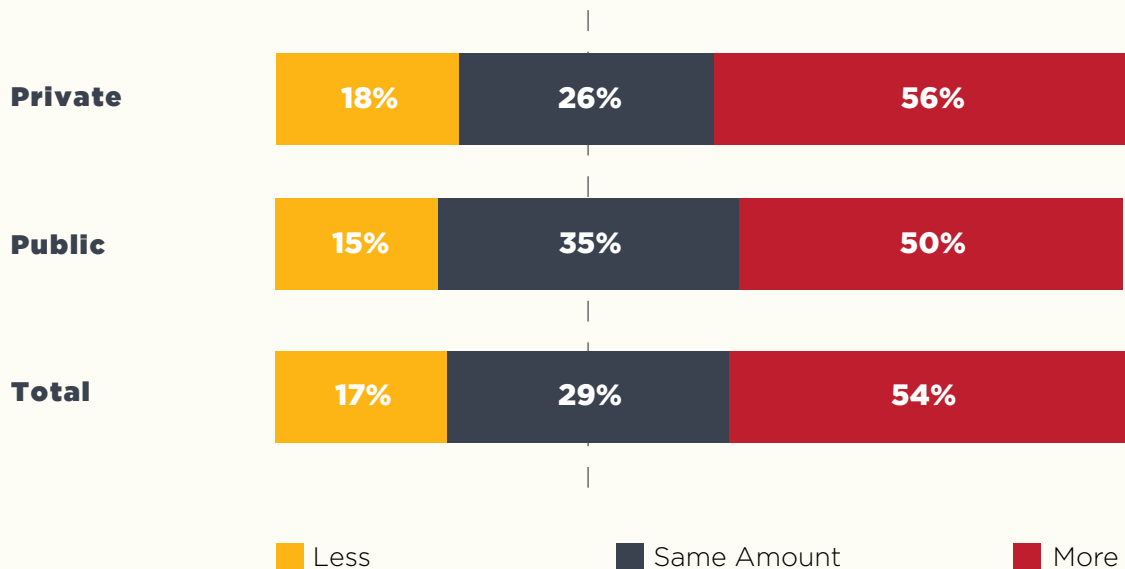
FIGURE 8:
THE LEVEL OF DISCUSSION ABOUT JOB PREPARATION FOR GRADUATES COMPARED TO THREE YEARS AGO



Presidents remain optimistic about the value of a college degree, much more than employers do. A majority of college presidents believe the four-year bachelor's degree is worth more in today's job market than it was five years ago (see Figure 9). Meanwhile, surveys of employers by The Chronicle and other organizations in recent

years have consistently found those who hire college graduates more neutral on the value of a degree. In a Chronicle survey of employers, for instance, 39 percent said a bachelor's degree was worth the same as five years ago, and 26 percent said it was worth less.

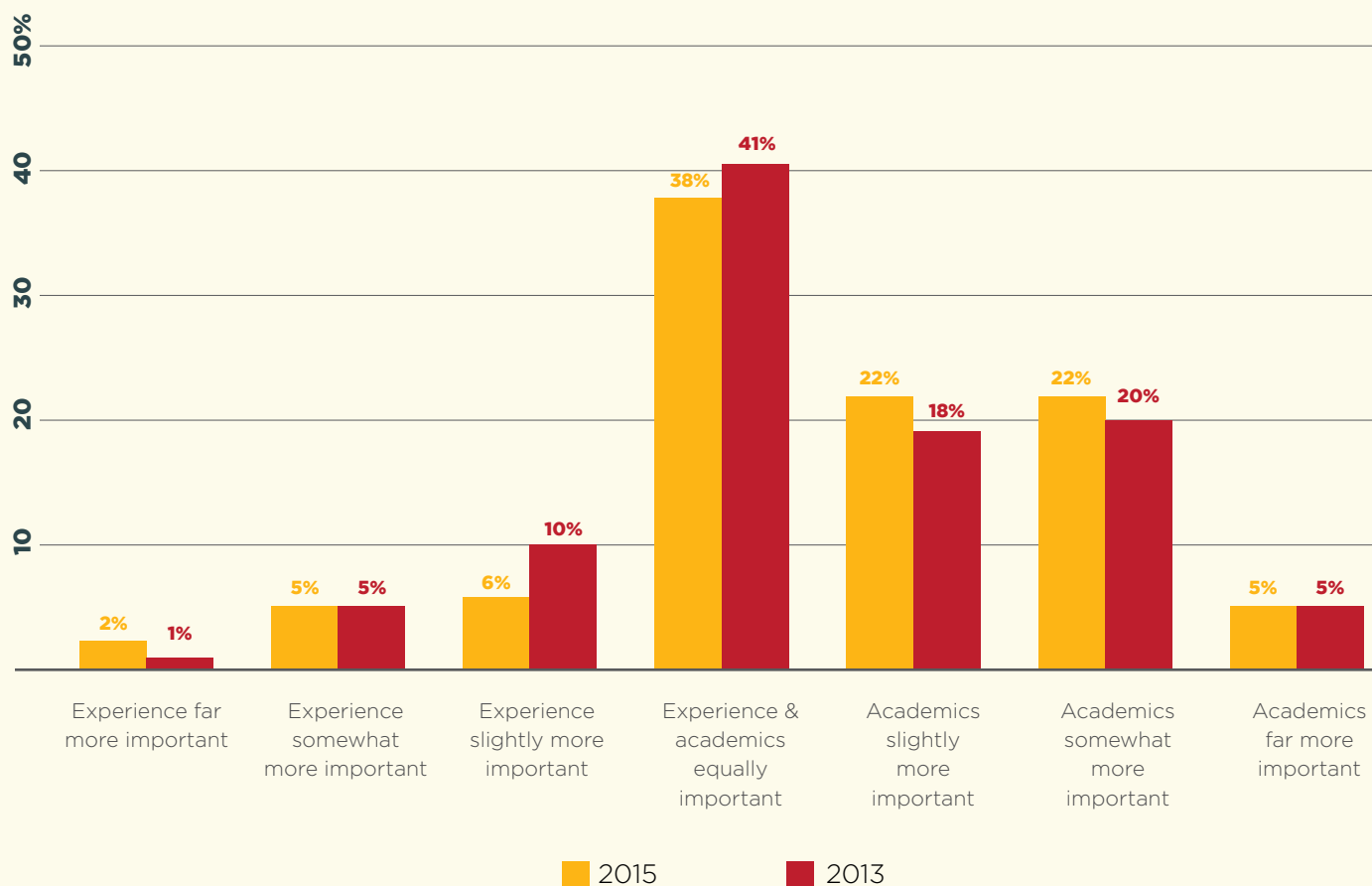
FIGURE 9:
VALUE OF A COLLEGE DEGREE COMPARED TO FIVE YEARS AGO



College leaders and employers often don't see eye-to-eye on what today's graduates most need to succeed in the workplace. While companies seek recent college graduates with real-world experience, presidents continue to emphasize the value of academics over experience among their graduates. Indeed, compared

to a similar survey of presidents conducted by The Chronicle in 2013, campus executives are even more in favor now of emphasizing academics over real-world experience (see Figure 10).

FIGURE 10:
THE PROPER BALANCE BETWEEN ACADEMICS AND REAL WORLD EXPERIENCE (2015 VS. 2013 SURVEYS OF PRESIDENTS)



When it comes to getting students ready for the job market, presidents are not always in agreement with employers and parents on what role the institution should play in the process. A majority of college leaders believe it's their job to offer experiential learning, such as internships, as part of the curriculum as well as offer career preparation in programs and offices across the campus, both in formal and informal settings.

But presidents are more divided about whether colleges should provide a broad education or specific training, and one-third of them don't want to be held accountable for the career outcomes of their students (see Figure 11).

FIGURE 11:
WHERE COLLEGES SHOULD PLAY A ROLE IN CAREER DEVELOPMENT

Experiential learning is an increasingly important feature of college/university curricula

Career preparation is a responsibility that cuts across the college/university

A college or university should take future labor force demand into consideration when planning curricular or co-curricular offerings

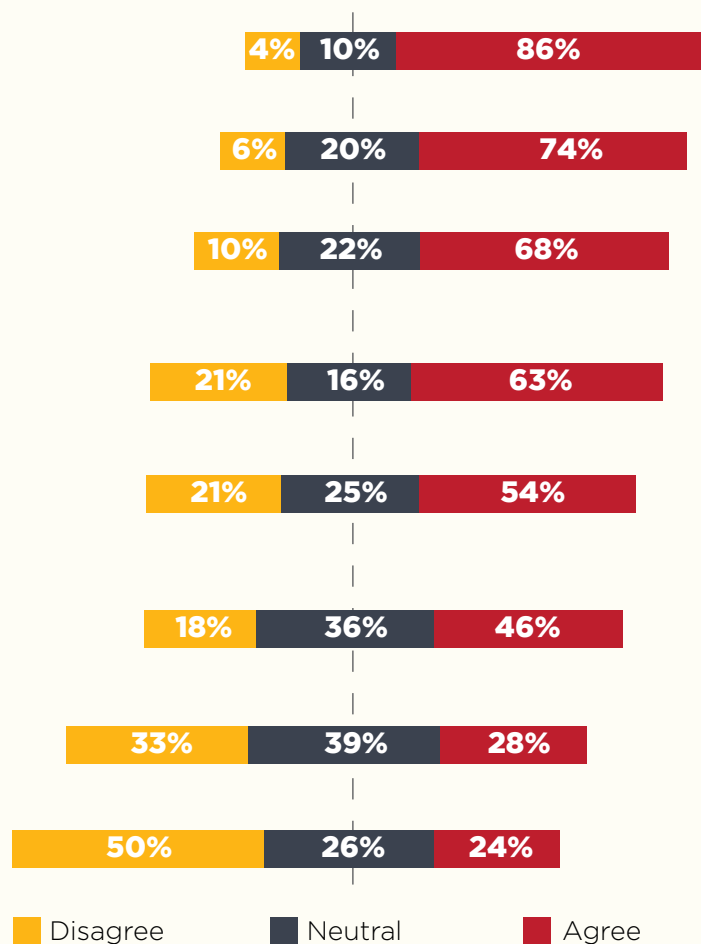
The quality of the academic program and the quality of career preparation are not separable

Colleges and universities should provide a broad education not career-specific training

Students entering college/university today are driven equally by successful outcomes and the quality of the academic program

Colleges and universities should be held accountable for the career success of their students

A college or university whose graduates are not satisfied with their careers is not doing its job

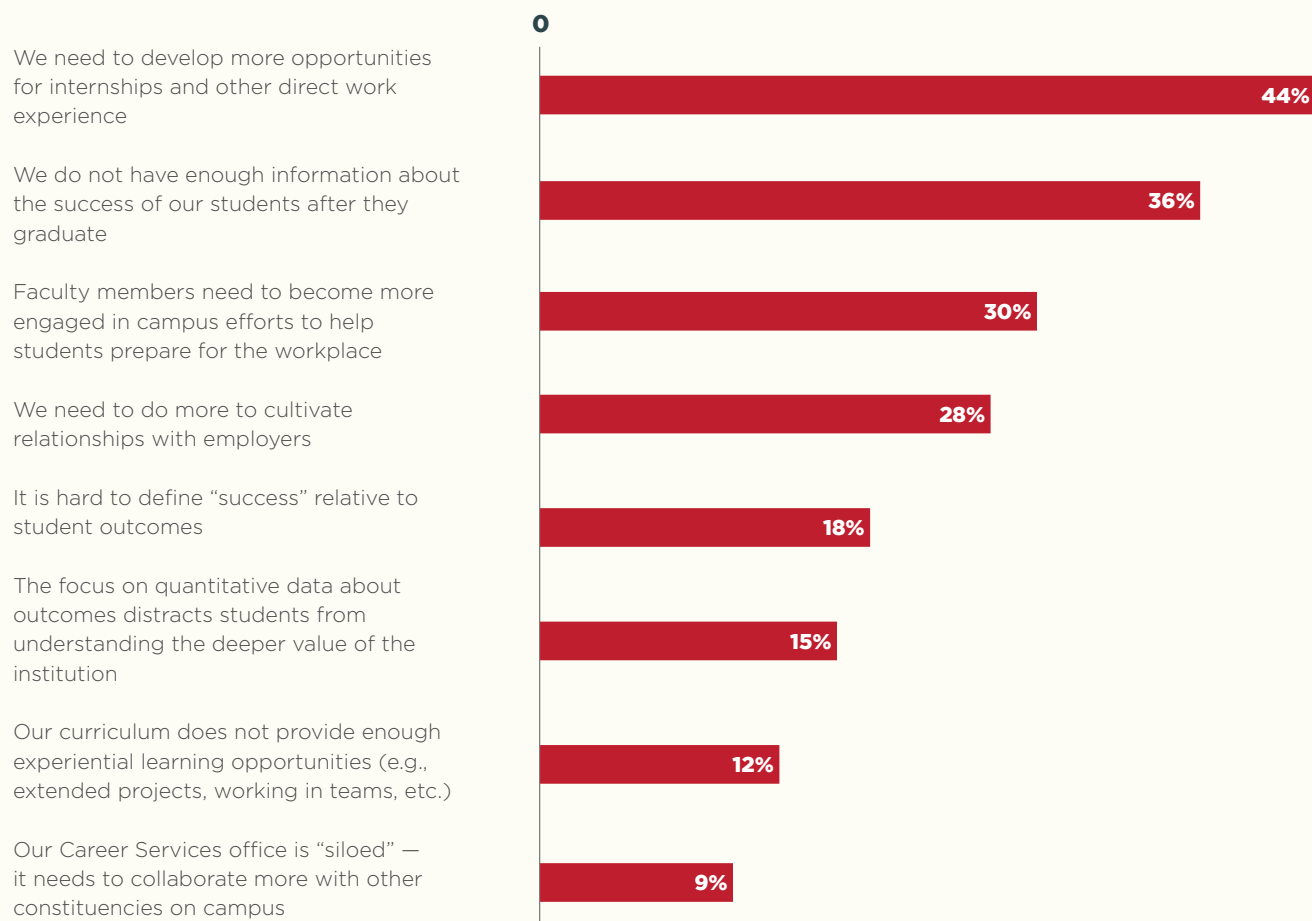


In the survey, the presidents expressed the most worry about the ability of their institutions to develop enough opportunities for students to gain real-world skills through internships and other work experiences. Almost half of presidents said in the survey that their institutions need to build more

work opportunities for students. The executives also believe they need to do more on highlighting the success of their graduates in the workplace and engage faculty members more often in preparing students for careers (see Figure 12).

An estimated 50 percent of recent college graduates are underemployed.

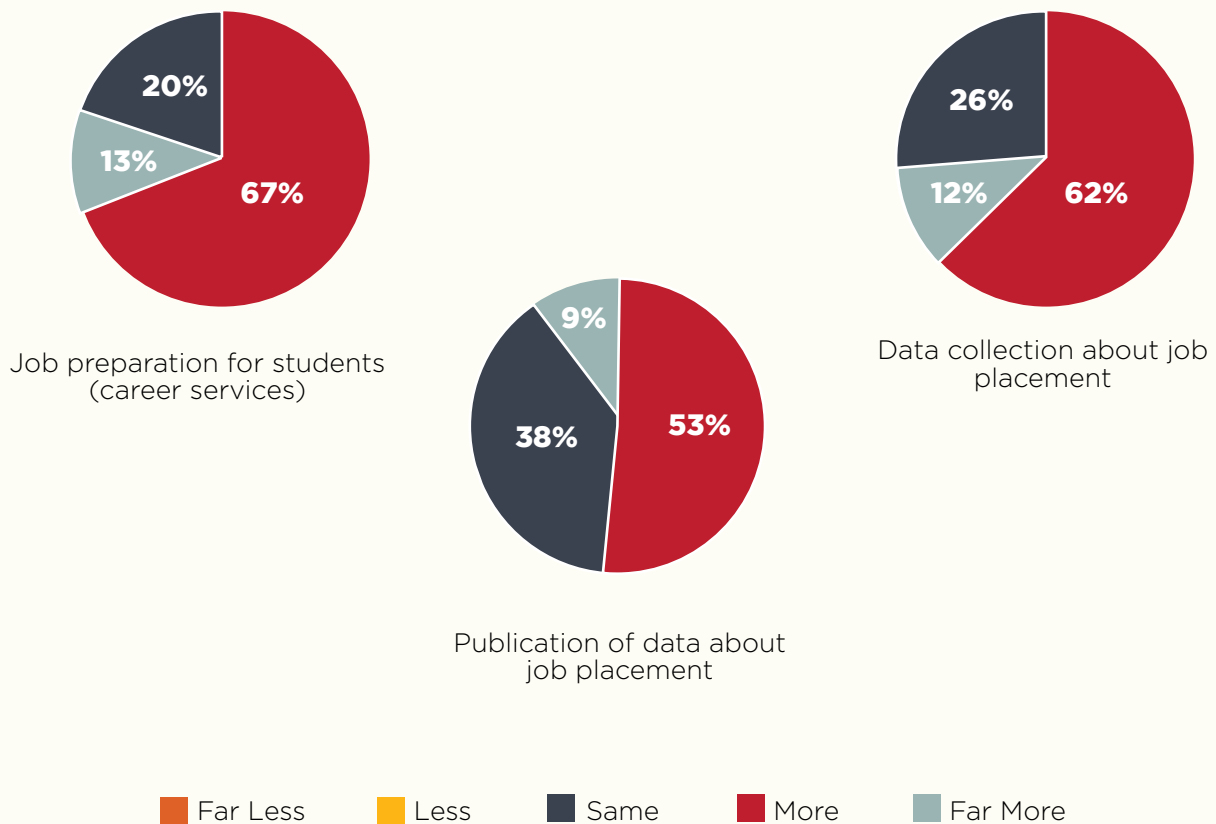
FIGURE 12:
PRESIDENTS' BIGGEST CONCERNS ABOUT CAREER PREPARATION FOR THEIR STUDENTS



The attention given to the topic of student outcomes and employability after graduation has certainly made a difference on campuses in recent years. Most presidents in the survey said they are offering additional job

preparation services for students, collecting more data about job placement and publishing additional information about job outcomes compared to three years ago (see Figure 13).

FIGURE 13:
DISCUSSION AND ACTIVITY AROUND JOB READINESS ON CAMPUSES TODAY COMPARED TO THREE YEARS AGO



RATING COLLEGES BY CHOICE OR GOVERNMENT MANDATE?

Presidents in the survey largely agree on three primary metrics: completion rates, average net price, and the percentage of students receiving Pell Grants.

In 2013, in a series of high-profile bus stops on campuses in New York and Pennsylvania, President Obama proposed a new federal ratings system that would hold colleges and universities more accountable to students and parents. After a year and a half of hearings and debate, the Education Department released its first take at the ratings system in December 2014. But what officials released were not the ratings themselves, but a framework for what the ratings might be, a tacit admission that trying to reshape how we value specific colleges was more difficult than anyone thought.

College presidents seem skeptical of any ratings system, according to The Chronicle survey. Overall, presidents of public colleges and universities seem more comfortable with the idea of a federal ratings system. Meanwhile, some 40 percent of private

college presidents believe it is inappropriate for the federal government to publish ratings that allow students and families to compare colleges. Nearly half of presidents in both the private and public sectors are taking a wait-and-see attitude: Such a tool is a reasonable federal mandate, they say, depending on the format of the rankings (see Figure 14).

FIGURE 14:
PUBLIC COLLEGE PRESIDENTS MORE SUPPORTIVE OF FEDERAL RATINGS

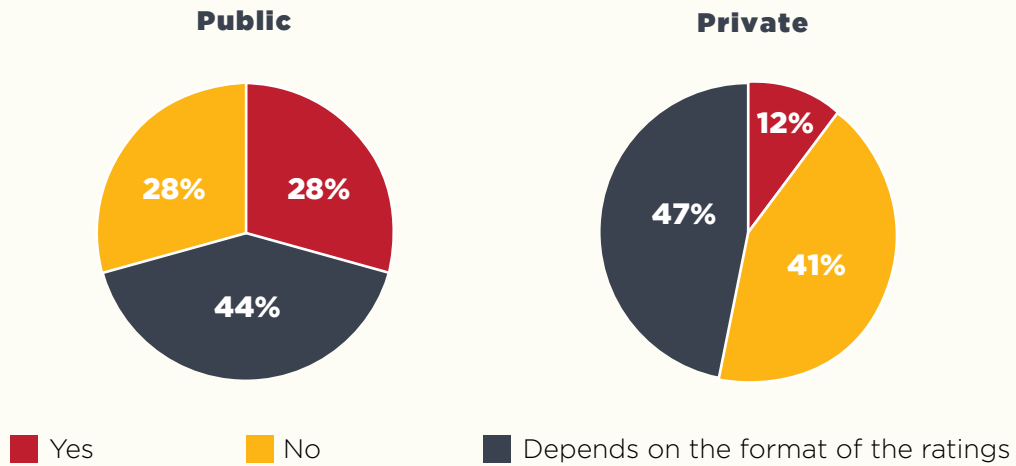
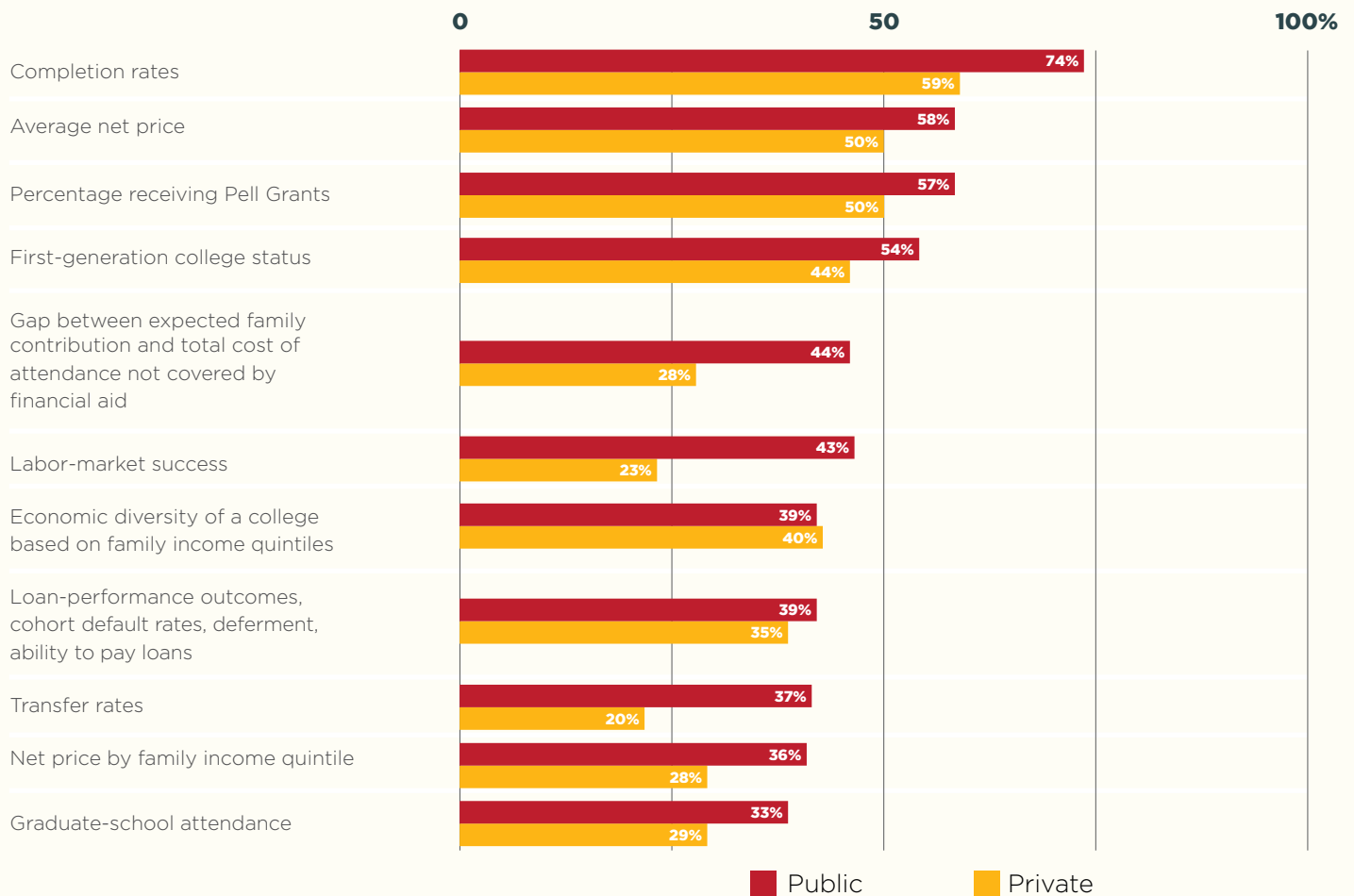


FIGURE 15:
THE METRICS COLLEGE PRESIDENTS WANT THE FEDERAL GOVERNMENT TO USE IN A RATINGS SYSTEM



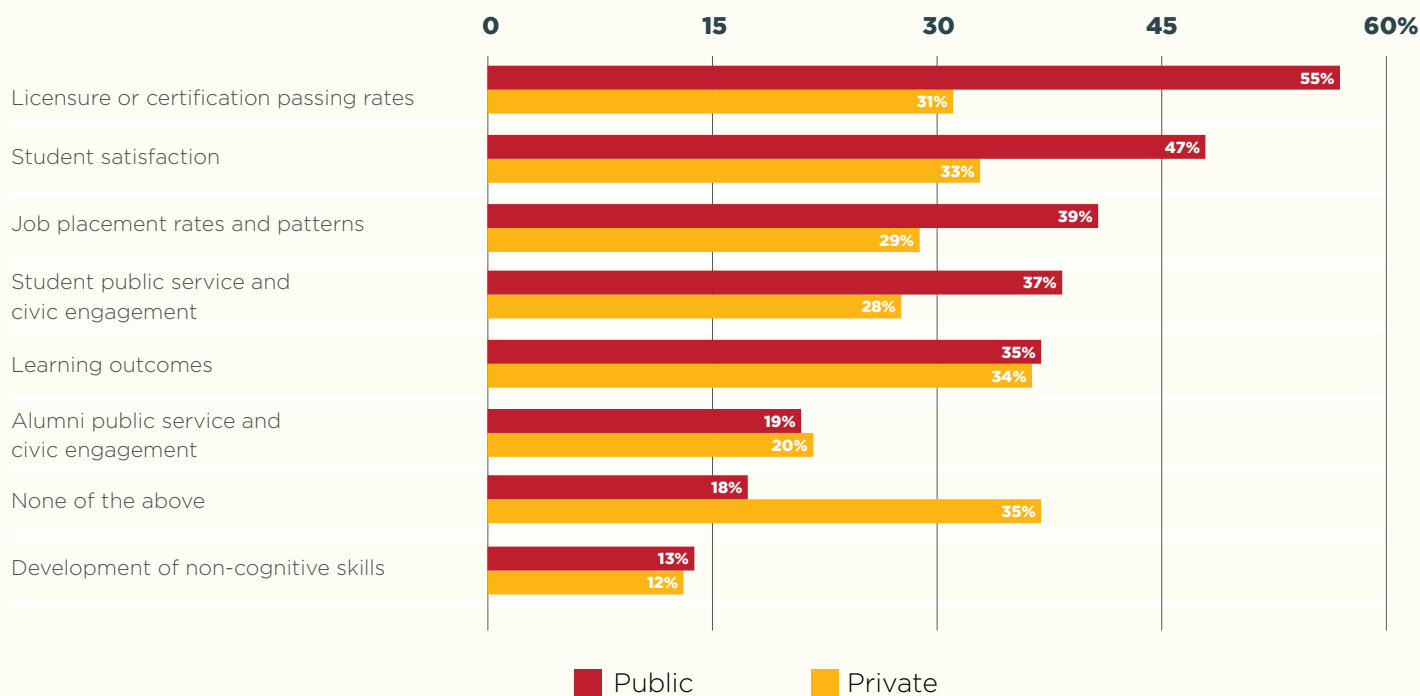
The format of the ratings rests largely on the metrics the federal government ends up using. Presidents in the survey largely agree on three primary metrics: completion rates, average net price, and the percentage of students receiving Pell Grants. What’s surprising in the survey results is that completion rates are the favorite metric of public-college presidents, even though their institutions tend to perform

worse on that measure than private institutions. Public college presidents also were much more likely to favor using labor-market outcomes and transfer rates as metrics compared to leaders at private colleges and universities (see Figure 15 on previous page).

Presidents surveyed had plenty of ideas for the Obama Administration

on potential metrics that the Education Department is not currently considering. The metric most favored by public colleges was to use passage rates for licensure exams; for private colleges it was “none of the above.” (see Figure 16).

FIGURE 16:
OTHER METRICS PRESIDENTS WANT THE FEDERAL GOVERNMENT TO USE IN A RATINGS SYSTEM

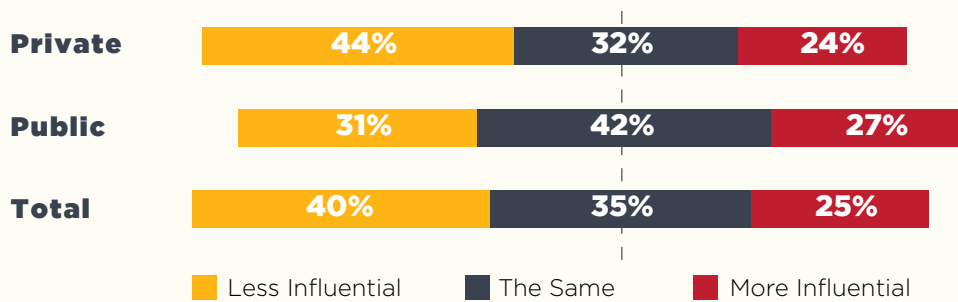


Even if the federal ratings system is put into place, presidents who responded to the survey believe it is unlikely to have a strong impact on the influence of the variety of college rankings published by commercial providers, particularly U.S. News & World Report. Indeed, a quarter of campus leaders report that the U.S.

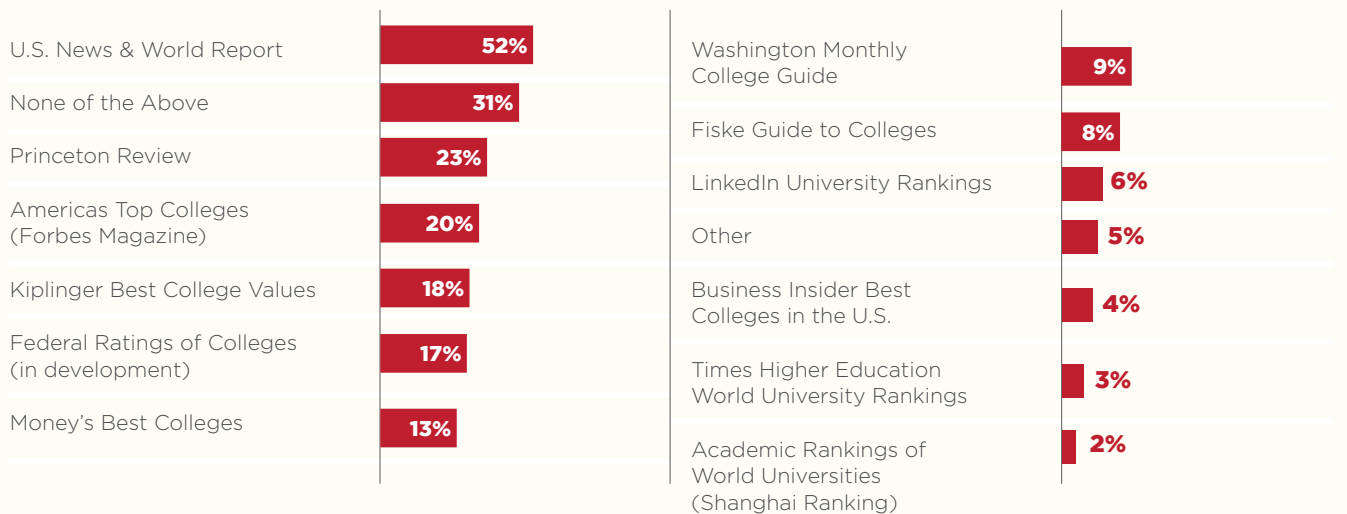
News rankings have more influence today than 10 years ago and will remain by far the most influential ranking system in the near future (see Figure 17).

College presidents seem skeptical of any ratings system.

FIGURE 17:
THE INFLUENCE OF THE U.S. NEWS RANKINGS COMPARED TO 10 YEARS AGO



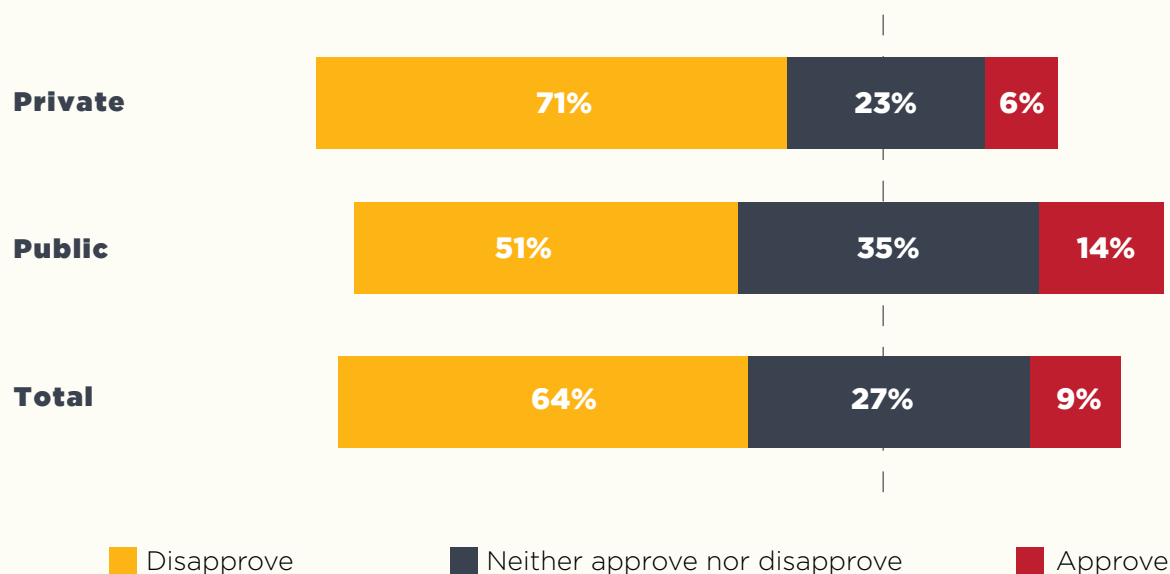
MOST INFLUENTIAL RANKINGS IN THE NEXT FIVE YEARS



President Obama’s proposed ratings plan clearly has struck a nerve with college leaders and has shaped their view of the administration’s overall strategy when it comes to higher education: The administration rates poorly with both private and public

college presidents. In fact, 64 percent of campus leaders say they disapprove of the president’s higher-education policies (See Figure 18).

FIGURE 18:
APPROVAL RATINGS FOR THE OBAMA ADMINISTRATION ON HIGHER EDUCATION POLICY





CONCLUSION

Having survived the depths of the Great Recession, college presidents remain upbeat on the state of the U.S. economy even as they are worried about the financial sustainability of their own institutions. They are making attempts at new approaches to raise revenue in the face of essentially flat tuition and declines in state appropriations, although it's too early for them to determine what is working and sustainable for the long term.

The outcomes of higher education, particularly job preparation, are clearly much more on the minds of college presidents today than just a

few years ago. Presidents are investing more time and money in making sure the graduates of their institutions are ready for a changing job market. Even so, there remains a disconnect between higher education and employers over the most important skills graduates need to succeed in today's workplace. Even though campus leaders still favor academics over work experience, they remain worried about giving students enough experiential learning opportunities to stand out in a crowded job market.

Outcomes are also on the minds of presidents because of a push by the

federal government to rate colleges so that students and parents can better compare their options. Presidents are clearly skeptical of any federal government ratings system, especially one that focuses on what they see are the wrong metrics. The debate over the ratings, however, has focused presidents on outcomes and might in the end better prepare their institutions to navigate a different market for higher education in the future.

METHODOLOGY

The results of *The View from the Top: What Presidents Think About Financial Sustainability, Student Outcomes, and the Future of Higher Education* are based on a survey of presidents at four-year, not-for-profit institutions that fall into a selected group of classifications developed by the Carnegie

Foundation for the Advancement of Teaching. Maguire Associates, of Concord, Mass., which conducted the online survey for The Chronicle, invited 2,179 presidents to respond, and 376 did. The data collection took place in January 2015.



The View from the Top: What Presidents Think About Financial Sustainability, Student Outcomes, and the Future of Higher Education is based on a survey conducted by Maguire Associates, Inc., was written by Jeffrey J. Selingo, contributing editor at The Chronicle of Higher Education, Inc. and is sponsored by Workday. The Chronicle is fully responsible for the report's editorial content. Copyright © 2015.

ARE YOUR HR & FINANCE SYSTEMS BASED ON TECH OLDER THAN THE



OR ARE THEY BUILT FOR THE FUTURE?

The sad truth is, most enterprise HR and finance systems are built on technology from the '80s. They can't keep up. But there is an enterprise system that's built for today, tomorrow, and everything after. One that is built for the large global enterprise. Built to evolve and change, to work in the cloud, and to grow with your business. And it is cheaper and faster to deploy than yet another upgrade. Workday is your strategic edge.

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