

**Minutes of the Board of Trustees regular meeting Wednesday, September 23, 2015,  
APPROVED by the Board December 3, 2015**

The Vermont State Colleges Board of Trustees conducted a regular meeting Wednesday, September 23, 2015 at the Lake Morey Resort in Fairlee, Vermont.

The following were present:

Trustees: Lynn Dickinson, Kraig Hannum, Church Hindes, Tim Jerman, Bill Lippert, Karen Luneau, Chris Macfarlane, Jim Masland, Martha O'Connor, Heidi Pelletier, Ben Simone

Absent: Jerry Diamond, Linda Milne, Mike Pieciak

Presidents: Joe Bertolino, Elaine Collins, Joyce Judy, Dan Smith, Dave Wolk

Office of the Chancellor:

Tricia Coates, Director of External and Governmental Affairs

Tom Robbins, Vice President and Chief Financial Officer

Bill Reedy, Vice President and General Counsel

Elaine Sopchak, Executive Assistant to the Chancellor

Jeb Spaulding, Chancellor

Yasmine Ziesler, Chief Academic and Academic Technology Officer

From the Colleges:

Craig Damon, Professor, Vermont Technical College

Andy Myrick, Full Time Faculty Federation President, Vermont Technical College

Beth Walsh, President, VSCUP

From the Public:

Samantha Montgomery, Field Rep, AFT Vermont

Josh O'Gorman, Vermont Press Bureau

Guests:

Ann and Scott Gregg, Rutland, VT, parents of Jake Gregg

Chair O'Connor called the meeting to order at 1 p.m.

A. ITEMS FOR DISCUSSION AND ACTION

1. Approval of the Minutes of the July 23, 2015 Board of Trustees Meeting

Trustee Luneau moved and Trustee Jerman seconded the approval of the minutes. The minutes were approved unanimously.

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

Trustee Hinds moved the resolution and stated that it is recommended for approval by the Finance & Facilities Committee. General Counsel Reedy stated that amendments to existing Policy 210 have removed mention of fraud and abuse, as these topics are now covered in the proposed new Policy 211. Also included for the Board's information is the chancellor's guidance for implementation of the policies. The policy for reporting and methods for handling reports have been in existence since 2006 with the implementation of the EthicsPoint hotline and reporting website. New Policy 211 establishes a consistent and uniform set of procedures for dealing with these reports. These policies are connected to Item 3 below in that references to the "colleges" have been changed to "institutions" in policies 211 and 210; new Policy 503 is more general and applies to all existing VSC policies. Trustee Lippert noted that this item has been discussed in depth at the committee level. Trustee Pelletier seconded the resolution. The resolution passed unanimously.

3. Approval of Policy 503, *General Definitions*

Trustee Hinds moved and Trustee Macfarlane seconded the resolution. Trustee Hinds stated this new policy broadens the definition of "colleges" to be fully inclusive and applies to all existing policies. The resolution passed unanimously.

4. Endorsement of Grant Proposal

Trustee Hinds moved and Trustee Macfarlane seconded the resolution. Chancellor Spaulding explained that this particular grant surpasses thresholds in Policy 408 and therefore merits Board approval. The resolution passed unanimously.

5. Establishment of Endowment

Ann and Scott Gregg, parents of former Lyndon State College student Jake Gregg, were welcomed by Chair O'Connor and President Bertolino. Trustee Hinds moved to extract the Gregg endowment from the consent agenda. Trustee Hinds moved a separate resolution for the

Gregg endowment. Trustee Macfarlane seconded the resolution. The resolution passed unanimously.

Trustee Hinderes moved the amended consent agenda containing only the D'Aleo endowment. Trustee Macfarlane seconded the resolution. The resolution passed unanimously.

6. Approval of Policy 102 Final Proposal for Vermont Technical College Master's Degree in Software Engineering

Trustee Hannum moved and Trustee Luneau seconded the resolution. President Smith acknowledged that this program is on a fast track for approval because it requires a substantive change application to NEASC in October. He reminded the Board that software engineering jobs are a growth area in the state. President Smith introduced Prof. Craig Damon, who described the program as consisting of 17 additional credits (a total of five additional courses); approximately 7-10 FTE students, mostly part time, will start this program and take courses at the Williston campus. He stated that there is no other master's program in software engineering offered in northern New England, and it is the first master's degree to be offered by Vermont Tech. He stated that the program was created in response to workforce needs of the state of Vermont. The resolution passed unanimously.

7. Approval of Revised Board By-Laws

Trustee Jerman moved and Trustee Hannum seconded the resolution. Chair O'Connor stated that these revisions were discussed and endorsed at the last Executive Committee meeting.

Chancellor Spaulding reviewed the changes:

- Adjusting the number of times the Board must meet annually from six to five.
- Updating the term of the Chair from one year to two years, in compliance with S.71, which was signed into law as Act 19 in May and took effect in July.
- More precise definition of committee quorum, and clarifying the Board Chair's role as a committee member.
- Clarification of the Chancellor's role in relation to the Board.

The resolution was approved unanimously.

8. Approval of Revised EPSL Committee Areas of Responsibilities

Trustee Hannum moved and Trustee Masland seconded the resolution. The resolution was approved unanimously.

9. Approval of Revised Nominating Committee Areas of Responsibility

Trustee Jerman moved and Trustee Pelletier seconded the resolution. Chancellor Spaulding reminded the Board that the changes are the result of the new Act 19, which allows the Board to select four members beginning in 2017. The resolution passed unanimously.

10. Approval of Revised Trustee Orientation Materials (Formerly Trustee Handbook)

Trustee Jerman moved and Trustee Luneau seconded the revision of the Trustee Orientation Materials. Trustee Macfarlane suggested that staff update the letterhead in the beginning of the document to include Castleton University. The revisions were approved unanimously.

11. Approval of Trustee Stipend & Expense Policy

Trustee Jerman moved and Trustee Pelletier seconded the revisions to the Trustee Stipend & Expense Policy. The revisions were approved unanimously. Stipend payments for FY16 will be made after this Board meeting and every July 1 thereafter.

12. Approval of Potential System Renaming Process

Trustee Jerman moved and Trustee Pelletier seconded the proposed process. The process was approved unanimously.

13. Approval of Hall of Fame Proposal

Trustee Lippert inquired whether the criteria for the at-large award needed to be just for an individual. Trustee Hindes cautioned about competing with the colleges when seeking sponsorships and recommended looking for new sponsors rather than those already working with the colleges. The Board agreed to extend the at-large award criteria to include organizations as well as individuals. Chancellor's Office staff will schedule the next meeting of the Committee in early October.

14. Personnel/Contractual Matters—Possible Executive Session

Trustee Dickinson moved to enter executive session pursuant to 1 V.S.A. §313(a)(1)(D) to discuss the status of a grievance by employees where premature public knowledge would clearly place the Board at a substantial disadvantage. In addition to Board members, Chancellor Spaulding, General Counsel Reedy, and President Bertolino were asked to attend the executive session.

Trustee Macfarlane seconded the motion and the Board approved the motion unanimously. The Board entered executive session at 1:45 p.m. The Board exited executive session at 2:10 p.m. and took no action.

## B. ITEMS FOR INFORMATION AND DISCUSSION

### 1. Report of the Executive Committee

Nothing was added to this report.

### 2. Report of the Finance & Facilities Committee

Trustee Hinds shared that the Committee discussed individual priorities at its most recent meeting and submitted topics via email. The committee chairs will be meeting with Chair O'Connor and the Chancellor soon to plan the year's meeting topics. The Finance & Facilities Committee will call an additional meeting in late October to review VSC facilities, and receive an update on system debt.

CFO Robbins stated that preliminary yearend operating results are being reviewed. FY15 ended with a \$10.2M deficit, comprised of a \$6.5M OPEB accrual and a \$4M amortization of a gift of software to Vermont Tech. The colleges finished ahead of budget. The S&P comment regarding a reduction in net assets is due to OPEB costs of approximately \$7M per year. College enrollments at the time are: VTC is slightly up; LSC is within budget; JSC enrollment is down for out-of-state and EDP; CCV is level with 2015 but had budgeted for less than that; Castleton's first year student enrollment is up significantly, enrollment is up overall.

Trustee Hinds reminded the Board that the system's bond rating had been downgraded based on enrollment at the time of review and the overall national higher education situation, and unfunded retirement liability. There was discussion of business operations maintaining or improving quality while also saving money.

Chancellor Spaulding updated the Board on the search for external consultants. An RFP was issued to perform a diagnostic review of campus based residential colleges' assumptions, pricing, and areas for generating revenue/efficiencies. The purpose for the review is to help the chancellor and the Board view the colleges' business plans objectively. He received five bids and selected AGB, whose primary consultants have extensive experience as both a college and corporate CEO. CFO Robbins checked AGB's references and found them to be very good. The business plan review will be conducted and finished shortly into new year, in time for the VSC budget process.

Chancellor Spaulding requested that the Finance & Facilities Committee consider at a future meeting why the system tends to impose the same tuition decision on its different institutions,

particularly in light of the fact that the colleges are very different in their marketing and competition. He shared that he asked Tom Meredith of AGB whether other systems assign tuition rates as a group or individually and learned that some systems break tuition down by type of institution (e.g., research institution versus community college). Smart systems look at each institution individually. He stated that he is interested in exploring the concept, maybe even for this year. President Wolk confirmed that Castleton University will definitely not have a tuition increase next year. The upcoming in-depth review of Vermont Tech may help reveal where their ideal price point is. Chancellor Spaulding stated that he is interested in knowing what the consultants will say regarding the current tuition freeze and also wants the Committee's input on the concept. He said that Vermont Tech is on a positive trajectory, and that an objective consultant will help the Board understand whether a tuition freeze would help or harm. He is hoping to obtain specific information on price point from the consultants. Trustee Hindes agreed that AGB is a good choice for the business plan review. AGB can also help the Board in the development of benchmarks. President Wolk stated that what the other four colleges do will not affect what Castleton will do regarding tuition.

3. Report of the Education, Personnel & Student Life Committee

Trustee Hannum asked President Bertolino to thank Dean Nolan Atkins for his presentation on curriculum redesign. Trustee Lippert requested and General Counsel Reedy provided more information about Taryn Moran, the new trainer/investigator who recently joined the Chancellor's Office. Trustee Dickinson inquired whether the new lab equipment at Vermont Tech funded by the legislature has had an impact. President Smith stated it definitely has; at this time two students have decided to continue their studies at Vermont Tech because of the new lab.

4. Report of the Hall of Fame Planning Committee

Nothing was added to this report.

5. Reports of the College Presidents

Vermont Technical College President Dan Smith stated that the new national college scorecard showed that VT Tech graduates have the fourth highest average salary in Vermont. The college has risen in two different US News & World Report rankings 12 spots and 3 spots respectively. The manufacturing labs renovations went very quickly under the direction of Professor Jeremy Cornwall. Vermont Tech's BS in Nursing program has received full accreditation. Enrollment of incoming students is up approximately 5%. October 2<sup>nd</sup> is National Manufacturing Day and legislators have been invited to see the new labs.

Lyndon State College President Joe Bertolino shared that the college held a successful clam bake the past weekend. On October 1<sup>st</sup> he will give the annual state of the college address. 2016 has been designated the Year of Compassion. Enrollment and the budget are on target. First year

retention from last year is up by 8%. Over the summer the college built a new Electronic Journalism Arts studio. The Weather Channel has proposed setting up a satellite studio on campus from which students will be able to issue forecasts. The curriculum task force work continues. The college's Exercise Science program has been reaccredited with top marks.

Community College of Vermont President Joycy Jusdy shared that the Agency of Education recently issued a graph of where Vermont high school students are going to college: more than 50% attend a VSC. The national scorecard from CCV's perspective is not representative as it reflects only first-time, full-time students, a very small portion of CCV's students. The numbers of students enrolled in dual enrollment and early college are increasing.

Johnson State College President Elaine Collins reported that the college's new Mapworks software for at risk students is in its third week of implementation. The college is performing an all-freshmen, residential student pilot. They have also submitted a proposal for a governor's institute on restorative justice. The college has purchased a drone to film aerial views of the campus that are viewable on their Facebook page. The NCAA III site is featuring Johnson State in a clip called "Whatever It Takes" that focuses on the leadership aspects of sports.

Castleton University President Dave Wolk did not add anything to the report in the meeting materials.

#### 6. Other Business

There was no other business

#### 7. Comments from the Public

Beth Walsh thanked the Board for allowing audience participation. She shared several staff concerns. Some staff wonder what the Castleton University name change will mean for enrollment on other campuses. Staff are invested in inclusivity during the VSC name change process. There is concern over the potential expense of changing the name of the system. In upcoming contract negotiations staff express a wish to maintain benefits and salary levels and concern over tuition freeze, limitation of salary compression, and gender equity. Staff appreciated that the need for transparency was respected during the JSC presidential search. VSC staff love their jobs and want to feel valued; they suggest adding staff membership to the newly formed chancellor's faculty advisory council.

Vermont Tech Professor Andy Myrick stated that the Full-time Faculty Federation have scheduled ratification of the new contract for October 15<sup>th</sup>; they will be using electronic polling this time. The Federation also plans to continue the legislative and strategic support program initiated last year called Reclaim the Promise.

Chair O'Connor thanked Beth Walsh and Samantha Montgomery for their attendance at the retreat.

Chancellor Spaulding stated that staff will send the Board a survey about the retreat.

8. Date and Place of Next Board of Trustees Meeting  
Wednesday December 2<sup>nd</sup> – Thursday, December 3<sup>rd</sup>, 2015  
Hosted by Vermont Technical College, Randolph Campus

Trustee Pelletier moved and Trustee Luneau seconded a motion to adjourn. The meeting adjourned at 2:56 p.m.



VERMONT STATE COLLEGES

BOARD OF TRUSTEES

RESOLUTION

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

- WHEREAS, In 2009 the Board of Trustees directed the Chancellor’s Office to create a whistleblower reporting system for use by all VSC employees, and the EthicsPoint hotline system was established for this purpose; and
- WHEREAS, Having implemented EthicsPoint throughout the VSC, the Board wishes to formalize the ways in which the system is to be used by adopting Policy 211, *Whistleblower Policy for Reporting Fraudulent, Illegal or Improper Activities*, as attached along with accompanying implementation procedures to be developed by the Chancellor; and
- WHEREAS, Policy 210, *Conflict of Interest – Employees* as adopted by the Board of Trustees in 2009 addresses in its general provisions the need for employees to avoid not only conflicts of interest but also a variety of illegal or improper activities; and
- WHEREAS, Because proposed Policy 211 provides extensive guidance for employees to report fraudulent, illegal, or improper behavior, Policy 210 has been revised to pertain solely to conflict of interest issues along with illustrative guidance; therefore, be it
- RESOLVED, That the Vermont State Colleges Board of Trustees hereby adopts Policy 211, *Whistleblower Policy for Reporting Fraudulent, Illegal, or Improper Activities*, and approves the revisions to Policy 210, *Conflict of Interest – Employees*, as attached.

September 23, 2015



## Manual of Policy and Procedures

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

### POLICY STATEMENT:

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

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

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

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

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

PROCEDURES:

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

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

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

#### GENERAL PROVISIONS

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

#### CHANCELLOR'S ILLUSTRATIVE GUIDANCE

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

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

#### SANCTIONS

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

#### **Cross References**

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

Signed by:

\_\_\_\_\_  
Jeb Spaulding, Chancellor

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

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

**1. Personal Gain from VSC Position**

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

**2. Contracting and Leasing**

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

agreement will conflict substantially and materially with the employee's discharge of his or her VSC responsibilities.

### **3. Outside Commitment**

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

### **4. Use of VSC Name and Resources**

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

### **5. Nepotism**

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

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

- a. An employee may not be assigned a direct supervisory role over a close relative. If needed, alternative arrangements for supervisory decisions shall be made before employment of a close relative. The VSC reserves the right, subject to any applicable collective bargaining agreement provisions, to reassign employees or duties when deemed a prudent business or management practice.
- b. An employee shall not participate in institutional decisions involving a direct benefit to a close relative. Such decisions include, but shall not be limited to, initial appointment, retention, promotion, tenure, salary and leave of absence.
- c. An employee may not give preferential or favored treatment in the supervision or management of another VSC employee who is a close relative.
- d. An employee shall not participate in decisions regarding students that involve a direct benefit to a close relative. Alternative arrangements for such decisions shall be made for close relatives. "Decisions regarding students" include, but are not limited to, acceptance to an academic program, grades and recommendation for awards or work-study employment.



# Manual of Policy and Procedures

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

## **I. PURPOSE**

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

## **II. STATEMENT OF POLICY**

### **A. Reporting Fraudulent, Illegal or Improper Activities**

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

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

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



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

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

**B. Prohibition on Retaliation**

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

**C. Prohibition on Making False or Malicious Allegations**

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

**III. PROCEDURES**

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

Signed by:

\_\_\_\_\_  
Jeb Spaulding, Chancellor

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

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

**I. DEFINITIONS**

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

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

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

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

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

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

- Embezzlement, theft, misappropriation or other financial irregularities;
- Forgery, alteration, or falsification of official documents (such as checks, time sheets, contractor agreements, purchase orders, travel expense reports, student records, other financial documents, and electronic files);
- Improprieties in the handling or reporting of money or financial transactions;
- Improprieties in the approval, management, administration or assignment of contracts (including kickbacks);
- Theft or misappropriation of funds, securities, supplies, equipment, goods, inventory, or any other asset (including furniture, fixtures or equipment);
- Authorizing or making payment for goods not received or services not performed, or receiving payment or other consideration for goods not delivered or services not performed;
- Authorizing or receiving payments for hours not worked;
- Performing or directing employees to perform non-VSC work during work hours;
- Receiving a tangible personal benefit from a third party as a direct consequence of performance of duties as an employee of the VSC or a member institution;
- Pursuing or obtaining a benefit or advantage in violation of VSC Policy 207: *Trustee and Executive Conflict of Interest Policy* or VSC Policy 210: *Employee Conflict of Interest Policy*;
- The wrongful use, disclosure or appropriation of an individual's personal information, such as identity theft, disclosure of a student's education records in violation of FERPA, or misuse of personal financial or other private information;
- Using VSC facilities or property for personal gain or any unauthorized use;
- Using public funds<sup>1</sup> inappropriately; and
- Other fraudulent activities that violate the law or VSC policy.

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

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

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

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

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

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

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

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

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

## **II. CONFIDENTIALITY**

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

### III. REPORTING

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

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

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

Reports can be filed with EthicsPoint in three ways:<sup>2</sup>

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

### IV. PRELIMINARY EVALUATION

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

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

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

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

## **V. INTERIM ACTION**

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

## **VI. INVESTIGATION**

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

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

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

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

## **VII. DISCIPLINARY ACTION**

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

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

### **A. Reporter**

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

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

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

## **B. Subject of Investigation**

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

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

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

## **C. Witnesses**

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

## **IX. RECORD-KEEPING**

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

**Effective September 23, 2015.**

Signed by:

Jeb Spaulding, Chancellor



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

**QUESTIONS AND ANSWERS ON ETHICSPPOINT**

**1. What is EthicsPoint?**

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

**2. What type of situations should be reported?**

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

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

**3. How are reports submitted to EthicsPoint?**

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

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

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

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

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

#### **5. Can the VSC identify the reporter?**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**1. Personal Gain from VSC Position**

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

**2. Contracting and Leasing**

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

agreement will conflict substantially and materially with the employee's discharge of his or her VSC responsibilities.

### **3. Outside Commitment**

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

### **4. Use of VSC Name and Resources**

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

### **5. Nepotism**

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

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

- a. An employee may not be assigned a direct supervisory role over a close relative. If needed, alternative arrangements for supervisory decisions shall be made before employment of a close relative. The VSC reserves the right, subject to any applicable collective bargaining agreement provisions, to reassign employees or duties when deemed a prudent business or management practice.
- b. An employee shall not participate in institutional decisions involving a direct benefit to a close relative. Such decisions include, but shall not be limited to, initial appointment, retention, promotion, tenure, salary and leave of absence.
- c. An employee may not give preferential or favored treatment in the supervision or management of another VSC employee who is a close relative.
- d. An employee shall not participate in decisions regarding students that involve a direct benefit to a close relative. Alternative arrangements for such decisions shall be made for close relatives. "Decisions regarding students" include, but are not limited to, acceptance to an academic program, grades and recommendation for awards or work-study employment.

VERMONT STATE COLLEGES

BOARD OF TRUSTEES

RESOLUTION

Adoption of Policy 503, *General Definitions*

- WHEREAS, In July 2015 the Board of Trustees authorized one of the Vermont State Colleges to become a university; and
- WHEREAS, Many Vermont State Colleges policies and procedures refer to the members of the system as “the colleges;” and
- WHEREAS, New Policy 503, *General Definitions* clarifies this issue by defining the term “colleges” in VSC policies and procedures, unless the context clearly requires otherwise, as referring to Castleton University, Community College of Vermont, Johnson State College, Lyndon State College, and Vermont Technical College; and
- WHEREAS, Policy 503 will enable the Board to address future necessary clarifications of terms in VSC policies; therefore, be it
- RESOLVED, That the Vermont State Colleges Board of Trustees hereby adopts Policy 503, *General Definitions*, as attached.

September 23, 2015



## Manual of Policy and Procedures

Title  <b>GENERAL DEFINITIONS</b>	Number  503	Page  1 of 1
	Date  <b>9/23/2015</b>	

1. Unless the context clearly requires otherwise, “Vermont State Colleges” or the “Colleges,” when used in Policies 101 through 503, refers to the Corporation known as the Vermont State Colleges and all of its constituent parts including but not limited to Castleton University, Community College of Vermont, Johnson State College, Lyndon State College, and Vermont Technical College. References in Policies 101 through 503 to a “college” in the singular, unless the context clearly requires otherwise, means a member institution of the Vermont State Colleges including Castleton University, Community College of Vermont, Johnson State College, Lyndon State College, and Vermont Technical College.

Signed by:

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Jeb Spaulding, Chancellor



VERMONT STATE COLLEGES

BOARD OF TRUSTEES

RESOLUTION

Endorsement of Grant Proposal

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

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

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

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

September 23, 2015

VERMONT STATE COLLEGES  
BOARD OF TRUSTEES  
RESOLUTION

Establishment of Endowments: Consent Agenda

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

September 23, 2015

VERMONT STATE COLLEGES

BOARD OF TRUSTEES

RESOLUTION

Vermont Technical College  
Master of Science Degree in Software Engineering

- WHEREAS, Vermont Technical College proposed a Master of Science Degree in Software Engineering; and
- WHEREAS, Vermont Technical College's M.S. in Software Engineering would strengthen the existing Software Engineering program and assist the college in recruiting; and
- WHEREAS, The technology sector in Vermont would benefit from hiring graduates with an M.S. in Software Engineering as there is no other similar program in the state; and
- WHEREAS, Vermont Technical College has developed a budget to deliver the program based on conservative enrollment projections; and
- WHEREAS, The addition of the MS degree will require a substantive change authorization from NEASC in early fall 2015, necessitating timely approval by the full Board; and
- WHEREAS, The Board Education, Personnel, Student Life Committee reviewed a preliminary proposal for this program in accordance with Policy 102 and recommends it to the full Board for consideration and approval; therefore, be it
- RESOLVED, That the VSC Board of Trustees authorizes Vermont Technical College to offer a Master of Science Degree in Software Engineering.

September 23, 2015

VERMONT STATE COLLEGES  
BOARD OF TRUSTEES  
RESOLUTION

Revisions of Vermont State Colleges By-Laws

- WHEREAS, The By-Laws of the Vermont State Colleges are updated as needed, when new legislation requires, and to reflect changing Board practices; and
- WHEREAS, Act 19 relating to the governance of the Vermont State Colleges was enacted in July 2015 and requires a change in the Board Chair's tenure from one year to two; and
- WHEREAS, The By-Laws would benefit from a more precise definition of committee quorum and the role of the Board Chair as a committee member; and
- WHEREAS, The Board desires to change its annual meeting schedule to a minimum of five regular meetings; and
- WHEREAS, The Board wishes to clarify that the Chancellor is not considered a member of the Board;
- WHEREAS, A number of minor changes to the By-Laws are needed to correct grammatical and other issues; therefore, be it
- RESOLVED, The Board approves the changes outlined in the revised Vermont State Colleges By-Laws as attached.

September 23, 2015

## Vermont State Colleges By-Laws<sup>1</sup>

### ARTICLE I - BOARD OF TRUSTEES

Section 1. Board of Trustees - The Board of Trustees is the governing body of the Corporation of the Vermont State Colleges and has complete and full authority over administration and operation, financial affairs, selection and appointment of officers and employees as set forth in No. 247 (H.422) of the Acts of 1961 and as amended from time to time.<sup>2</sup>

### ARTICLE II - MEETINGS

Section 1. Meetings - The Board of Trustees shall hold a minimum of five regularly scheduled meetings during the course of each fiscal year. The annual meeting of the Board shall be the last regular meeting of the fiscal year. Following each annual meeting, the Chair of the Board shall propose a planned schedule of regular meetings for the fiscal year and the first two meetings of the following fiscal year. At its first regular meeting of the new fiscal year, the Board shall adopt a schedule of its regular meetings for the remainder of the fiscal year and for the first two regular meetings in the following fiscal year. Changes in the scheduled meetings of the Board may be made and special meetings of the Board may be called for other times by the Chair or by any four members of the Board.

Section 2. Notice - Notice of all meetings of the Board shall be transmitted to each trustee at least five days before a meeting.

Section 3. Quorum - A majority of the trustees shall constitute a quorum, but a lesser number may adjourn a meeting.

### ARTICLE III - OFFICERS AND STAFF

Section 1. Officers - The officers of the Board shall be a Chair, a Vice-Chair, a Secretary and a Treasurer. The same person may serve as Secretary and Treasurer.

Section 2. Election - The Chair of the Board shall be elected biennially at the annual meeting from among the members of the Board. Officers of the Board shall be elected annually at the annual meeting from among members of the Board. Officers shall hold office for one year and

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<sup>1</sup> Revised 2/11/65; 1/27/67; 2/24/67; 6/23/67; 2/9/68; 1/25/74; 1/24/75; 2/21-22/75; 12/17/77; 6/21/79; 11/17/82; 1/13/92, 9/8/06, 9/30/09; 4/3/13, 2/20/14, 9/23/15

<sup>2</sup> Vermont Statutes Annotated 2171 et seq.

until their successors are elected and qualified. In the event of a vacancy in an office, the Board shall elect, in the same manner the office was originally filled, a replacement to serve out the remainder of the term vacated.

Section 3. Staff - The Board shall appoint a Chancellor to serve at the pleasure of the Board unless the terms of service are otherwise designated by the Board.

#### ARTICLE IV - DUTIES OF OFFICERS AND STAFF

Section 1. Chair - The Chair of the Board shall preside at all meetings of the Board. He/She may call special meetings of the Board when he/she deems it necessary. He/She shall appoint members to committees unless otherwise specified. The Chair of the Board is an *ex officio*, non-voting member of all Committees.

Section 2. Vice-Chair - The Vice-Chair shall perform the duties of the Chair in his/her absence.

Section 3. Secretary - The Secretary of the Board shall have charge of the Seal of the Corporation, shall be the certifying officer with respect to its records, contracts, and other transactions, and shall keep a record of the proceedings of the Corporation.

Section 4. Treasurer - The Treasurer of the Corporation shall have general supervision of the finances and business transactions of the Corporation. He/She shall make provisions for annual audits. He/She shall be responsible to ensure that there is adequate bond coverage for himself/herself and all officers and employees of the Corporation who may handle money. He/She shall sign in the name of the Corporation such documents and instruments as the Board may direct.

Section 5. Chancellor - The Chancellor of the Corporation shall be the chief administrative officer and shall have all the duties, responsibilities and authority that commonly pertain to that position. He/She shall be the agent of the Board in implementing its decisions and policies. He/She shall have general supervision of the academic and business affairs of the Corporation and all other powers accorded to him/her under these By-Laws and the Personnel Handbook.

Section 6. Financial Officer - Under the direction of the Chancellor, the Financial Officer shall supervise and direct the financial and business affairs of the Corporation. He/She shall have general responsibilities for keeping of books of account; preparation of budgets; receiving, depositing, withdrawing of monies; investing of funds; and making payments on contracts. He/She shall perform such other duties as may be required of him/her by the Chancellor. He/She is appointed by the Chancellor.

## ARTICLE V - INSTITUTION CHIEF EXECUTIVE OFFICERS

Section 1. President - The President is the chief executive and administrative officer of a member institution. The responsibility for selection of institutional presidents lies with the Board of Trustees after consultation with the Chancellor and representatives of the affected institution, including faculty, staff and students. The President is directly responsible to the Chancellor for the effective operation of the institution within system-wide policies and objectives as approved by the Board of Trustees. The Chancellor exercises direct supervision of the President. The Chancellor shall also make recommendations to the Board, as appropriate, on the compensation, reappointment, non-reappointment, and discharge of the President. After considering the Chancellor's recommendations and its own assessment of the President's performance, final authority in these matters shall rest with the Board. In cases of potential discharge of the President during his/her contract period, the Chancellor has the authority to suspend a President with pay pending Board of Trustees consideration of the matter.

## ARTICLE VI – COMMITTEES

Section 1. Establishment of Committees - Committees may be established by resolution of the Board of Trustees, from time to time, as the Board may determine at any regular or special Board meeting.

Section 2. Powers - Each Committee shall have those powers set forth in the resolution establishing the Committee.

Section 3. Membership - No Committee shall have fewer than three (3) members including the Chair of the Board of Trustees. Each Committee member shall be a voting member of the Board of Trustees; provided however, that the Board by resolution may permit others to serve as *ex officio*, non-voting Committee members.

Each Committee established by the Board shall have a Chair, who shall be a voting member of the Board of Trustees. The Chair and all other Committee members shall be elected or appointed in the manner set forth in the resolution creating the Committee. In the event of a vacancy of a committee chair or a committee member, the vacancy shall be filled for the remainder of the term vacated in the same manner as the original appointment or election.

Section 4. Quorum - A majority of voting members is required for the conduct of Committee business, but a lesser number may adjourn a meeting. The Chair of the Board shall not be counted in the number required to determine a quorum.

Section 5. Meetings - All Committee meetings shall comply with the provisions of the open meeting law, 1 V.S.A. 310, et seq.

Section 6. Minutes - Minutes shall be kept of all Committee meetings.

Section 7. Subcommittees - Unless prohibited by the resolution establishing the Committee, any Committee may establish one or more subcommittees by majority vote of voting Committee members.

#### ARTICLE VII - POLICIES AND PROCEDURES MANUAL

Section 1. Policies and Procedures Manual - The Chancellor shall publish and distribute, after approval of the Board, a Policies and Procedures Manual which shall set forth the official policies of the Board and procedures adopted by the Chancellor where not inconsistent with the By-Laws.

Section 2. Approval - A Policy may be approved at any meeting of the Board.

#### ARTICLE VIII – AMENDMENTS

Section 1. Amendments - The By-Laws may be amended at any meeting by a majority vote of the Board provided notice is given as to substance of the proposal in the call.



VERMONT STATE COLLEGES  
BOARD OF TRUSTEES  
RESOLUTION

Revisions to EPSL Committee Areas of Responsibility

- WHEREAS,           The Education, Personnel, and Student Life Committee reviewed its Areas of Responsibility to ensure they reflect the duties the Committee currently performs; and
- WHEREAS,           The Committee approves the revised Areas of Responsibility as attached and recommends them to the full Board for approval; and
- WHEREAS,           The Board has discussed the proposed updated Areas of Responsibility with the Committee; therefore, be it
- RESOLVED,         The Board approves the revised EPSL Committee Areas of Responsibility as attached.

September 23, 2015

## **EPSL Committee**

### **Areas of Responsibility**

The members and chair of the Committee shall be appointed by the Chair of the Board, where feasible, by the next Board meeting following the Annual meeting. The EPSL committee has primary responsibility for the development and implementation of policies related to Academic Affairs, Personnel, and Student Affairs.

On an annual basis, the EPSL committee shall:

1. Review activities of the colleges and system that promote the continuous improvement in quality of academic programs. These activities are summarized in reports generated according to VSC Policy 101 (Program Review and Continuous Improvement Process).
2. Recommend to the board the status of all programs under review through Policy 109 (Annual Enrollment Review of Existing Academic Programs).
3. Review annual personnel/ legal affairs reports, including but not limited to: crime statistics, staffing plans, and legal affairs activity.
4. Review annual system performance indicators and, on a rotating schedule developed in consultation with the Chancellor or designee, reports on system wide initiatives related to academic, personnel or student affairs, including but not limited to: educator quality, distance learning, workforce education and training, assessment, employee relations and PK-16 partnerships.

As needed on an ongoing basis, the EPSL committee shall also:

1. Approve preliminary proposals for new academic program development and make recommendations to the Board of Trustees on final proposals for new academic programs according to Policy 102 (Approval of New Academic Programs).
2. Review and recommend action to the Board of Trustees on proposals to award emeritus status (Policy 204).
3. Recommend action to the Board of Trustees on the revision and/ or development of VSC academic, personnel, and student affairs policies and procedures.
4. Review and recommend action to the Board of Trustees on resolutions to offer special recognition to individuals, groups or organizations.
5. Conduct other business as needed and related to academic, personnel and/or student affairs.

VERMONT STATE COLLEGES  
BOARD OF TRUSTEES  
RESOLUTION

Revisions to Nominating Committee Areas of Responsibility

- WHEREAS,           The approval of Act 19 relating to governance of the Vermont State Colleges necessitates revisions to the Nominating Committee Areas of Responsibility regarding the election of the Chair and the election of self-perpetuating members; and
- WHEREAS,           The Board has reviewed and discussed the revised Areas of Responsibility as attached; therefore, be it
- RESOLVED,         The Board approves the revised Nominating Committee Areas of Responsibility as attached.

September 23, 2015

## Nominating Committee Areas of Responsibility

The Committee shall comprise three members elected annually by the Board at its first meeting of the new calendar year. The Chair of the Committee shall be elected from among its three members by the Board at the first meeting of the new calendar year.

1. Annually, the Committee shall recommend VSC Board officers for election at the annual meeting provided, however, that the Committee shall only recommend nominees for Board Chair in years the Chair is up for election, and shall recommend for election members to chair or serve on the committees to the extent such election is contemplated by the resolution creating the committee.
2. Effective July 15, 2015, the Committee biennially shall recommend to the Board of Trustees members for election at the annual meeting to the office of Chair of the Board.
3. Annually, the Committee shall recommend to the Board of Trustees members for election to the Audit Committee.
4. The Committee shall recommend for election officers, committee chairs, or committee members in the event of a vacancy where the original election called for a recommendation of the Nominating Committee.

In making recommendations for election to an office or position, the Committee may either recommend individual candidates or present competing candidates for the Board's consideration.

4. In 2017 and biennially thereafter, the Committee shall recommend to the Board of Trustees individuals for election to the Board as self-perpetuating members.