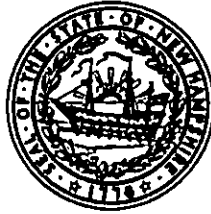


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Frank Edelblut
Commissioner

Christine M. Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, N.H. 03301
TEL. (603) 271-3495
FAX (603) 271-1953

July 2, 2019

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the New Hampshire Department of Education (NHDOE), Bureau of Student Support to enter into a contract with Vanderbilt University, 110 21st Avenue South, Nashville, TN (vendor code 206519) in an amount not to exceed \$1,121,084.00 to provide oversight and coordination of New Hampshire's iSocial Professional Development System, effective upon Governor and Council approval through June 30, 2021, with an option to renew for one additional year. 100% Federal Funds.

Funds to support this request are anticipated to be available in the account titled State Professional Development and IDEA-Special ED- Elm/Sec in Fiscal Years 2020 & 2021, upon the availability and continued appropriation of funds in the future operating budget, with the ability to adjust encumbrances between Fiscal Years through the Budget Office without further Governor and Council approval, if needed and justified:

	<u>FY2020</u>	<u>FY2021</u>
06-056-056-562010-25060000-072-509073 Contracts for Program Services	\$300,000.00	\$300,000.00
06-056-056-562010-25040000-102-500731 Contracts for Program Services	\$211,490.00	\$309,594.00

EXPLANATION

The purpose of this contract is to support the expansion of the State Systemic Improvement Plan (SSIP) and State Personnel Development Grant (SPDG) by developing State and local infrastructure to implement the Pyramid Model Framework in early childhood settings to improve the social-emotional outcomes for children ages birth to five including children with disabilities. The expansion will include the development of a Master Cadre of Pyramid Model trainers and coaches to sustain implementation over time in New Hampshire. The Pyramid Model is a positive behavioral intervention and support framework that uses systems-thinking and implementation science to promote evidence-based practices. It will also include supporting the implementation of the Pyramid Model in iSocial communities as well as supporting NH Institutions of Higher Education infusing Pyramid Model into their curricula.

His Excellency, Governor Christopher T. Sununu
and the Honorable Council

Page 2

July 2, 2019

The Department of Education was awarded a State Personnel Development Grant from the U.S. Department of Education Office of Special Education Programs. Promoting the implementation and sustainability of the Pyramid Model statewide is a key grant objective and the awarding of this contract will help to support our grant efforts.

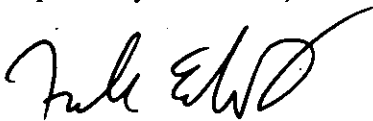
A Request for Proposals (RFP) "iSocial Professional Development System" was advertised in the Manchester Union Leader October 1st, October 2nd and October 3rd, 2018 and posted to the NHDOE website. Two (2) proposals were received by the deadline of Friday, November 9, 2018, Easter Seals NH & Vanderbilt University. The Department was seeking an individual or agency to serve as the Director of New Hampshire's iSocial Professional Development System.

The proposals were reviewed and rated using the attached scoring rubric. (see attachment A) The review committee consisted of Christina MacDonald, NH Department of Education - Education Consultant and iSocial Evaluation Coordinator, Michelle Lewis, Executive Director of the Parent Information Center, and Amy Aiello, NH Department of Education iSocial Project Director. The reviewers recommend that Vanderbilt University's proposal be brought forward for approval.

The Office of Special Education Programs at the United State Department of Education requires a comprehensive evaluation detailed within the grant that measures the short-term, intermediate and long-term outcomes and impacts of the grant incentives. The evaluation assesses the degree to which the NH State Personnel Development Grant meets its goals and objectives, as well as the established federal performance goals and objectives. The evaluation will be ongoing and formative to provide for data-based decision making and planning mid-course corrections.

In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Frank Edelblut
Commissioner of Education

FE:PFD
Enclosures

Attachment A

iSocial Professional Development System

Proposal Criteria in the RFP

Technical Skill	15 points
Content Knowledge	15 points
Quality of Services to be Provided & Management Plan	20 points
Timelines for implementation	10 points
Personnel and partners	10 points
Metrics are ambitious but achievable	10 points
Budget Completion and Relevance	20 points
Possible Points:	100 points

Two (2) Proposals were received:

1. Easter Seals NH
2. Vanderbilt University

Easter Seals NH

Michelle Lewis	Amy Aiello	Christina MacDonald	
<u>Score</u>	<u>Score</u>	<u>Score</u>	<u>Peer Review</u>
16	48	10	24.66

Vanderbilt University

Michelle Lewis	Amy Aiello	Christina MacDonald	
<u>Score</u>	<u>Score</u>	<u>Score</u>	<u>Peer Review</u>
80	90	54	74.66

(average is different than the combined score)

An RFP review occurred on Friday, November 30, 2018. The RFP review panel consisted of the following:

Christina MacDonald, NH Department of Education, Education Consultant, iSocial Evaluation Coordinator – In her role as Education Consultant, she is the SSIP lead for data and evaluation as well as the project coordinator for the Bureau of Student Support's key data systems. She serves as the Evaluation Coordinator for iSocial and leads the iSocial Evaluation and Data Team as well as serving on the iSocial State Leadership Team.

Michelle Lewis, NH Parent Information Center, Executive Director – In her role as the Executive Director of the NH PIC, Michelle is working with the NH DOE to support iSocial districts and community collaboratives in implementing Pyramid Model Practices by engaging and training process coaches to support implementation and providing resources and opportunities to build and strengthen family engagement. In addition, she serves on the iSocial State Leadership Team as well as the Pyramid Model State Leadership Team.

Amy Aiello, NH Department of Education, iSocial SPDG Project Director - In her role in the New Hampshire Department of Education, Amy is the Project Director for the NH State Personnel Development Grant (SPDG) focused on improving the social emotional outcomes for children with disabilities ages birth to five. She oversees the financial and operational administration of all SPDG activities and project partners and coordinates all training and coaching for iSocial LEAs and Community Collaboratives.


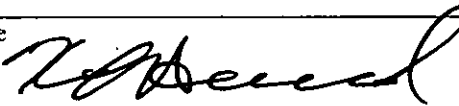
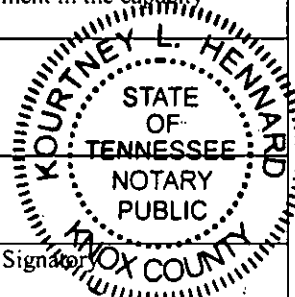
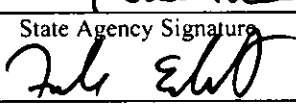
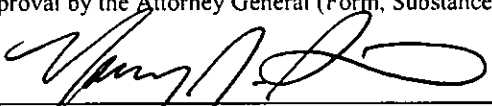
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name Education, Bureau of Student Support		1.2 State Agency Address 101 Pleasant Street Concord, New Hampshire 03301	
1.3 Contractor Name Vanderbilt University		1.4 Contractor Address Sponsored Program Administration Baker Building, Suite 800 100 21 st Avenue, South Nashville, TN 37203-2417	
1.5 Contractor Phone Number 615-322-2631	1.6 Account Number See Exhibit B	1.7 Completion Date June 30, 2021	1.8 Price Limitation \$1,121,084.00
1.9 Contracting Officer for State Agency Santina Thibedeau, Administrator Bureau of Student Support		1.10 State Agency Telephone Number 603-271-3791	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Andrew M. Budell Director, Sponsored Programs Administration	
1.13 Acknowledgement: State of <u>TN</u> , County of <u>Davidson</u> On <u>6/18/2019</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace <u>Kourtney Hennard, Notary Public</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory <u>Frank Edelblut, Commissioner</u>	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: <u>7/15/2019</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. **TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. **CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. **ASSIGNMENT/DELEGATION/SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice and consent of the State. None of the Services shall be subcontracted by the Contractor without the prior written notice and consent of the State.

13. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

EXHIBIT A

SCOPE OF SERVICES

Vanderbilt University will support the expansion of New Hampshire's State Systemic Improvement Plan (SSIP) and State Personnel Development Grant (SPDG) by developing State and local infrastructure to implement the Pyramid Model Framework in early childhood settings to improve the social-emotional outcomes for children ages birth to five including children with disabilities. The expansion will include the development of a Master Cadre of Pyramid Model trainers and practice-based coaches to sustain implementation over time in New Hampshire. It will also include supporting the implementation of the Pyramid Model in iSocial communities as well as supporting NH Institutions of Higher Education infusing Pyramid Model into their curricula.

The Project Director will:

- Oversee, contract and coordinate a pool of practice-based coaches, trainers and administrators of fidelity measures related to the Pyramid Model Framework to support iSocial community collaboratives and implementation sites. This will include a minimum of 10 practice-based coaches to support 23 practitioners, 65 fidelity measures and 5 trainers trained in the Desired Results Developmental Profile (DRDP) in Year One. Year Two will include a minimum of 15 practice-based coaches supporting 30 practitioners, 85 fidelity measures and 5 additional trainers trained in DRDP. The Project Director will:
 - Ensure that services are provided with fidelity and in accordance with required timelines
 - Recruit additional coaches, trainers and TPOT/TPITOs administrators as needed.
 - Ensure that supervisors of practice-based coaches, trainers and administrators of fidelity measures are not engaged in activities that are designed to coach these individuals
 - Oversee implementation of required trainings
- Oversee, contract, train, and coordinate a Master Cadre of 12-15 practice-based coaches, trainers and administrators of Pyramid Model fidelity measures. The Master Cadre will support and sustain the development of practice-based coaches, trainers and administrators of fidelity measures related to the Pyramid Model Framework. The Director will:
 - Ensure that services are provided with fidelity and in accordance with required timelines
 - Ensure that supervisors of practice-based coaches, trainers and administrators of fidelity measures are not engaged in activities that are designed to coach these individuals
 - Brainstorm solutions to challenges encountered
 - Answer questions and identify resources
- Troubleshoot and problem solve as issues arise.
- Provide written reports of activities as directed by the NHDOE.

- Coordinate the provision of professional development and coaching of the practice-based coaches and iSocial trainers by the Pyramid Model Expert Consultants and/or Master Cadre members including but not limited to:
 - *Pyramid Model Practice-based Coach Training*
 - *Pyramid Model Peer-to-Peer Practice-based Coach Training*
 - *Pyramid Model Group Practice-based Coach Training*
 - Administrator of Fidelity Measure Trainings (TPOT & TPITOs) Trainings
 - Pyramid Model Module Trainings (Preschool/Infant-Toddler)
 - *Parents Interacting with Infants (PIWI) Training*
 - *Desired Results Developmental Profile (DRDP) Training*
- Participate in State level meetings to infuse practice-based coaching-perspective into the ongoing development of iSocial:
 - iSocial Expanded Core Team (monthly)
 - iSocial SLT (monthly)
 - iSocial Evaluation Team (quarterly)
 - iSocial Learning Collaborative Meetings (approx. five times per year)
- Consult monthly with Pyramid Model Expert Consultants regarding the cohort(s) to ensure implementation of the practice-based coaching model and training with fidelity.
- Collaborate with project partners to promote an integrated coaching system, process and coaching content that supports iSocial implementation of the Pyramid Model Framework.
- Participate in the NH Institutions of Higher Education Task Force and provide access to consultants to promote the infusion of the evidence-based practices of the Pyramid Model into their curriculum on an as needed basis.
- Provide Institutions of Higher Education with access to Pyramid Model trainings and resources to support their content knowledge.
- Attend the National Training Institute on Effective Practices (NTI) Conference annually to acquire knowledge and skills that inform New Hampshire's implementation of practice-based coaching and the Pyramid Model Framework.
- Sponsor three (3) additional people-annually to attend the NTI Conference, drawing from the active pool of coaches, trainers and higher education to enhance their knowledge and skills of practice-based coaching and Pyramid Model implementation.
- Support the Pyramid Model State Leadership Team with the development of a sustainable system for Pyramid Model professional development.
- Develop an infrastructure that provides a continuum of access to validated administrators of fidelity measures and practice-based coaches for potential participants in iSocial.

The Project Coordinator will:

- Work with the Project Director to develop and coordinate a pool of practice-based coaches, trainers and administrators of fidelity measures related to the Pyramid Model Framework.
- Plan, facilitate and follow-up periodic meetings of the coaches and Administrators of fidelity measures to support consistency of administration.
- Provide in-state support as needed to the coaches, trainers and administrators of fidelity measures. In-state support includes but is not limited to; problem solving, providing a

feedback loop between the state and the cohort, and identifying and connecting the cohort with needed resources.

- Participate in activities that are designed to professionally develop practice-based coaches, trainers and administrators of fidelity measures in order to ensure the development of a comprehensive infrastructure regarding the cohort.
- Monitor and ensure that coaches and trainers are completing their required data collection timely.
- Review and authorize payment of monthly invoices from coaches and administrators of Pyramid Model fidelity measures.
- Participate in State level meetings as requested by the Project Director to infuse practice-based coaching perspective into the ongoing development of iSocial:
 - iSocial Expanded Core Team (monthly)
 - iSocial SLT (monthly)
 - iSocial Evaluation Team (quarterly)
 - iSocial Learning Collaborative Meetings (approx. five times per year)
- Participate in an Institution of Higher Education Task Force to promote the infusion of the evidence-based practices of the Pyramid Model into their curriculum on an as needed basis.
- Attend the National Training Institute on Effective Practices (NTI) Conference annually to acquire knowledge and skills that inform New Hampshire's implementation of practice-based coaching and the Pyramid Model Framework.

The Pyramid Model Expert Consultants, under the direction of the Project Director, will:

- Train and support the development of practice-based coaches, trainers and administrators of Pyramid Model fidelity measures.
- Analyze implementation data and make decisions based on data such as fidelity checklists, coaching logs, practitioner feedback and organization feedback to promote the development of the Master Cadre cohort and the iSocial system.
- Plan, facilitate and follow-up on regular meetings of the practice-based coaches, trainers and administrators of Pyramid Model fidelity measures to support and promote consistency in implementation.
- Collaborate with project partners to promote an integrated coaching system, process and coaching content that supports iSocial implementation of the Pyramid Model Framework.
- Develop an infrastructure that provides a continuum of access to validated administrators of fidelity measures and practice-based coaches for potential participants in iSocial.
- Promote the infusion of the evidence-based practices of the Pyramid Model into Institutions of Higher Education.

The Assistant for the Project Coordinator will support the implementation of project activities in-state by:

- Communicating directly with coaches, trainers and administrators of fidelity measures to provide administrative support as needed for their work
- Receiving, reviewing for accuracy and processing all monthly invoicing from coaches, trainers and administrators of fidelity measures. She will:

- Communicate with coaches, trainers and administrators of fidelity measures as needed to make corrections
- Forward invoices to the Business Manager for the Project Coordinator for payment
- Communicate with the Business Manager for the Project Coordinator to resolve invoice issues
- Maintaining and expense spreadsheet to provide monthly budget detail to the Project Director and Coordinator
- Participating in in-state meetings of the coaches, trainers and administrators of fidelity measures to provide administrative support including documentation of notes
- Ordering supplies as needed
- Providing additional support as requested by the Project Director or Coordinator.

The Business Manager for the Project Coordinator will:

- Process invoices and issue payments to project staff, coaches, trainers and administrators of fidelity measures within a reasonable timeframe
- Communicate with the Project Director and/or Project Coordinator as needed to resolve invoice issues
- Responsibly manage and account for project funds in coordination with the Business Office for the Project Coordinator.

The Project Assistant for the Project Director will provide support to the Project Director for contracts specific to the Pyramid Model Expert Consultants, including the DRDP trainers.

EXHIBIT B

BUDGET

Description of Services	FY'20 Upon Governor & Council approval- June 30, 2020	FY'21 July 1, 2020- June 30, 2021	Total
Personnel	\$ 28,638.00	\$ 34,394.00	\$ 63,032.00
Fringe Benefits	\$ 7,188.00	\$ 8,633.00	\$ 15,821.00
Travel	\$ 16,500.00	\$ 16,995.00	\$ 33,495.00
Supplies	\$ 1,200.00	\$ 600.00	\$ 1,800.00
Contractual	\$ 318,500.00	\$ 411,388.00	\$ 729,888.00
Other: Coaching/Training of Master Cadre members; Consultants	\$ 118,750.00	\$ 118,750.00	\$ 237,500.00
Indirect	\$ 20,714.00	\$ 18,834.00	\$ 39,548.00
Totals	\$ 511,490.00	\$ 609,594.00	\$ 1,121,084.00

Limitation on Price: This contract will not exceed \$1,121,084.00.

Source of Funding: Funds to support this request are anticipated to be available in the accounts titled State Professional Development & IDEA – Special Education-Elem/Sec in fiscal years 2020 & 2021, upon the availability and continued appropriation of funds in the future operating budget, with the ability to adjust encumbrances between Fiscal Years through the Budget Office without further Governor and Council approval, if needed and justified:

	<u>FY20</u>	<u>FY21</u>
06-056-056-562010-25060000-072-509073 Contracts for Program Services	\$300,000.00	\$300,000.00
06-056-056-562010-25040000-102-500731 Contracts for Program Services	\$211,490.00	\$309,594.00

Method of Payment:

Payment will be made upon the submittal of an invoice that is received by the 10th of the following month which is supported by a summary of activities that have taken place in accordance with the terms of the contract.

Submit invoices to:

Penny Duffy – Grants & Contracts Technician
 NH Department of Education
 Bureau of Student Support
 101 Pleasant Street
 Concord, New Hampshire 03301

EXHIBIT C
Special Provisions

The Department will exercise the option to renew for one additional fiscal year, if services are determined to be satisfactory and funds are available, with Governor and Council approval.

Vanderbilt University will provide notice 15 days after renewal/expiration of insurance.

EXHIBIT D
Contractor Obligations

Contracts in excess of the simplified acquisition threshold (currently set at \$250,000) must address administrative, contractual, or legal remedies in instances where the contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

Reference: 2 C.F.R. § 200.326 and 2 C.F.R. 200, Appendix II, required contract clauses.

The contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the contractor's actions pertaining to this contract.

The Contractor, certifies and affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. § 3801 et seq., apply to this certification and disclosure, if any.

Breach

A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a contractor and subcontractor as provided in 29 C.F.R. § 5.12.

Fraud and False Statements

The Contractor understands that, if the project which is the subject of this Contract is financed in whole or in part by federal funds, that if the undersigned, the company that the Contractor represents, or any employee or agent thereof, knowingly makes any false statement, representation, report or claim as to the character, quality, quantity, or cost of material used or to be used, or quantity or quality work performed or to be performed, or makes any false statement or representation of a material fact in any statement, certificate, or report, the Contractor and any company that the Contractor represents may be subject to prosecution under the provision of 18 USC §1001 and §1020.

Environmental Protection

(This clause is applicable if this Contract exceeds \$150,000. It applies to Federal-aid contracts only.)

The Contractor is required to comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 1857 (h)), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency (EPA) regulations (40 CFR Part 15) which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Violations shall be reported to the FHWA and to the U.S. EPA Assistant Administrator for Enforcement.

Procurement of Recovered Materials

In accordance with Section 6002 of the Solid Waste Disposal Act (42 U.S.C. § 6962), State agencies and agencies of a political subdivision of a state that are using appropriated Federal funds for procurement must procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired in the preceding fiscal year exceeded \$10,000; must procure solid waste management services in a manner that maximizes energy and resource recovery; and must have established an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

EXHIBIT E
Federal Debarment and Suspension

- a. By signature on this Contract, the Contractor certifies its compliance, and the compliance of its Sub-Contractors, present or future, by stating that any person associated therewith in the capacity of owner, partner, director, officer, principal investor, project director, manager, auditor, or any position of authority involving federal funds:
1. Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal Agency;
 2. Does not have a proposed debarment pending;
 3. Has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal Agency within the past three (3) years; and
 4. Has not been indicted, convicted, or had a civil judgment rendered against the firm by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.
- b. Where the Contractor or its Sub-Contractor is unable to certify to the statement in Section a.1. above, the Contractor or its Sub-Contractor shall be declared ineligible to enter into Contract or participate in the project.
- c. Where the Contractor or Sub-Contractor is unable to certify to any of the statements as listed in Sections a.2., a.3., or a.4., above, the Contractor or its Sub-Contractor shall submit a written explanation to the DOE. The certification or explanation shall be considered in connection with the DOE's determination whether to enter into Contract.
- d. The Contractor shall provide immediate written notice to the DOE if, at any time, the Contractor or its Sub-Contractor, learn that its Debarment and Suspension certification has become erroneous by reason of changed circumstances.

EXHIBIT F
Anti-Lobbying

The Contractor agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative. execute the following Certification: The Contractor certifies, by signing and submitting this contract, to the best of his/her knowledge and belief, that:

- a. No federal appropriated funds have been paid or shall be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence any officer or employee of any State or Federal Agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into any cooperative agreement, and the extension, continuation, renewal amendment, or modification of any Federal contract grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or shall be paid to any person for influencing or attempting to influence an officer or employee of any Federal Agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit the "Disclosure of Lobbying Activities" form in accordance with its instructions (<http://www.whitehouse.gov/omb/grants/sflllin.pdf>).
- c. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is prerequisite for making and entering into this transaction imposed by Section 1352, Title 31 and U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- d. The Contractor also agrees, by signing this contract that it shall require that the language of this certification be included in subcontracts with all Sub-Contractor(s) and lower-tier Sub-Contractors which exceed \$100,000 and that all such Sub-Contractors and lower-tier Sub-Contractors shall certify and disclose accordingly.
- e. The DOE shall keep the firm's certification on file as part of its original contract. The Contractor shall keep individual certifications from all Sub-Contractors and lower-tier Sub-Contractors on file. Certification shall be retained for three (3) years following completion and acceptance of any given project.

EXHIBIT G

Rights to Inventions Made Under a Contract, Copy Rights and Confidentiality

Rights to Inventions Made Under a Contract or Agreement

Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the DOE.

Any discovery or invention that arises during the course of the contract shall be reported to the DOE. The Contractor is required to disclose inventions promptly to the contracting officer (within 2 months) after the inventor discloses it in writing to contractor personnel responsible for patent matters. The awarding agency shall determine how rights in the invention/discovery shall be allocated consistent with "Government Patent Policy" and Title 37 C.F.R. § 401.

Confidentiality

All Written and oral information and materials disclosed or provided by the DOE under this agreement constitutes Confidential Information, regardless of whether such information was provided before or after the date on this agreement or how it was provided.

The Contractor and representatives thereof, acknowledge that by making use of, acquiring or adding to information about matters and data related to this agreement, which are confidential to the DOE and its partners, must remain the exclusive property of the DOE.

Confidential information means all data and information related to the business and operation of the DOE, including but not limited to all school and student data contained in NH Title XV, Education, Chapters 186-200.

Confidential information includes but is not limited to, student and school district data, revenue and cost information, the source code for computer software and hardware products owned in part or in whole by the DOE, financial information, partner information (including the identity of DOE partners), Contractor and supplier information, (including the identity of DOE Contractors and suppliers), and any information that has been marked "confidential" or "proprietary", or with the like designation. During the term of this contract the Contractor agrees to abide by such rules as may be adopted from time to time by the DOE to maintain the security of all confidential information. The Contractor further agrees that it will always regard and preserve as confidential information/data received during the performance of this contract. The Contractor will not use, copy, make notes, or use excerpts of any confidential information, nor will it give, disclose, provide access to, or otherwise make available any confidential information to any person not employed or contracted by the DOE or subcontracted with the Contractor.

Ownership of Intellectual Property

The DOE shall retain ownership of all source data and other intellectual property of the DOE provided to the Contractor in order to complete the services of this agreement. As well the DOE will retain copyright ownership for any and all materials, patents and intellectual property produced, including, but not limited to, brochures, resource directories, protocols, guidelines, posters, or reports. The Contractor shall not reproduce any materials for purposes other than use for the terms under the contract without prior written approval from the DOE.



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

ANNE MAMBUNGU
SUITE 750
2100 WEST END AVE
NASHVILLE, TN 37203

February 20, 2019

Request Type: Certificate of Existence/Authorization
Request #: 0306487

Issuance Date: 02/20/2019
Copies Requested: 1

Document Receipt

Receipt #: 004557024

Filing Fee: \$20.00

Payment-Credit Card - State Payment Center - CC #: [REDACTED]

\$20.00

Regarding: VANDERBILT UNIVERSITY (THE)

Filing Type: Nonprofit Corporation - Domestic

Control #: 120166

Formation/Qualification Date: 08/06/1872

Date Formed: 08/06/1872

Status: Active

Formation Locale: TENNESSEE

Duration Term: Perpetual

Inactive Date:

Business County: DAVIDSON COUNTY

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

VANDERBILT UNIVERSITY (THE)

- * is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;
- * has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;
- * has filed the most recent annual report required with this office;
- * has appointed a registered agent and registered office in this State;
- * has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett
Secretary of State

Processed By: Cert Web User

Verification #: 031958634




**Certification
Vanderbilt University**

The undersigned, as General Counsel and Secretary of Vanderbilt University, does hereby certify as follows:

The University's Delegation of Authority Policy, executed by the Chancellor, Sub-Delegations listing, * page 9 as attached, authorizes Andrew Budell, the Director of Contracts, to sign research related agreements for grants contracts and cooperative agreements.

This authority vests in the Chancellor through Vanderbilt University's Code of By-laws, Chapter II (A) (2) as attached.

6/27/2019
Date:



Ruby Z. Shellaway
Vice Chancellor, General Counsel and
Secretary of the University

*The Delegation of Authority Sub-Delegations document identifies those to whom the Chancellor's delegates have sub-delegated authority for approval and signature on various types of contracts and agreements.

V Delegation of Authority Policy Sub-Delegations: Contracts and Items not Related to General Procurement

Last Updated: 06/21/2019

IMPORTANT NOTES: Unless additional sub-delegation restrictions are indicated in this document, sub-delegates inherit the same authority (and restrictions) as the person making the sub-delegation. Also, unless otherwise noted in this document, sub-delegates are not authorized to further delegate their authority; i.e., all sub-delegations of authority must be specifically identified and included in this document to be valid.

Category / Subcategory	Approvals Required ¹	Authorized to Sign/Execute	Authorized (Title)	Authorized (Name)	Sub-Delegations			
					Delegate (Name)	Delegate (Title)	Additional Delegation Restriction	Other Restrictions
Real estate (non-endowment) transactions								
Property tax exemption applications	General Counsel and VC for Administration	General Counsel	Ruby Shellaway	Sean Scally	Senior Associate General Counsel	N/A	N/A	N/A
Release of liens related to non-investment real estate held by Vanderbilt University	VC for Administration and VC for Finance & CFO	VC for Administration	Eric Kopstein	No Delegate	N/A	N/A	N/A	N/A
Purchase, sale or transfer of Vanderbilt real estate (including easements)	Chancellor	VC for Administration	Eric Kopstein	Mike Perez	Associate VC and Chief Facilities Officer	N/A	N/A	N/A
Leases (new and renewals, when Vanderbilt or one of its subsidiaries is not the lessor or sub-lessor), purchases, management contracts	- All - Applicable general officer ² and VC for Administration and VC for Finance & CFO - Non-IDS-funded units: \$1,000,000 annual lease cost or more - Chancellor - IDS-funded units: \$100,000 annual lease cost or more - Chancellor	VC for Administration	Eric Kopstein	Mike Perez	Associate VC and Chief Facilities Officer	N/A	N/A	N/A
Use of the General Procurement Contract or Lease Approval Routing Form is strongly encouraged to document review and approval by appropriate officials.		General Counsel	Nicholas S. Zeppos	No Delegate	N/A	N/A	N/A	N/A
		Provost	Ruby Shellaway	No Delegate	N/A	N/A	N/A	N/A
		VC for Administration	Susan Wente	Eric Byrmaster	Associate VC for Finance	None	None	None
			Eric Kopstein	Alyson Sullivan	Executive Director, Facilities Business Operations	Less than \$100,000 per year	N/A	N/A
				Mike Perez	Associate VC and Chief Facilities Officer	Less than \$100,000 per year	N/A	N/A
		VC for Development & Alumni Relations	Susie S. Stalcup	No Delegate	N/A	N/A	N/A	N/A
		VC for Finance & CFO	Brett Sweet	No Delegate	N/A	N/A	N/A	N/A
		VC for Diversity and Inclusion	Andre Churchwell (Interim)	No Delegate	N/A	N/A	N/A	N/A
		VC for Information Technology	John Lutz	No Delegate	N/A	N/A	N/A	N/A
		VC for Investments	Anders Hall	No Delegate	N/A	N/A	N/A	N/A
		VC for Communications	Steve Ertel	No Delegate	N/A	N/A	N/A	N/A
		VC for Public Affairs	Nathan Green	No Delegate	N/A	N/A	N/A	N/A
		VC for University Affairs	Malcom Turner	No Delegate	N/A	N/A	N/A	N/A
Non-financial lease documents (e.g., estoppels, commencement letters, amendments, etc.) that do not affect the financial or risk attributes of the lease in any way	VC for Administration and Applicable General Officer	VC for Administration	Eric Kopstein	Alyson Sullivan	Executive Director, Facilities Business Operations	N/A	N/A	N/A
				Mike Perez	Associate VC and Chief Facilities Officer	N/A	N/A	N/A
		General Counsel	Ruby Shellaway	No Delegate	N/A	N/A	N/A	N/A
		Provost	Susan Wente	Eric Byrmaster	Associate VC for Finance	None	None	None
		VC for Development & Alumni Relations	Susie S. Stalcup	No Delegate	N/A	N/A	N/A	N/A
		VC for Finance & CFO	Brett Sweet	No Delegate	N/A	N/A	N/A	N/A
		VC for Diversity and Inclusion	Andre Churchwell (Interim)	No Delegate	N/A	N/A	N/A	N/A
		VC for Information Technology	John Lutz	No Delegate	N/A	N/A	N/A	N/A
		VC for Investments	Anders Hall	No Delegate	N/A	N/A	N/A	N/A
		VC for Communications	Steve Ertel	No Delegate	N/A	N/A	N/A	N/A
		VC for Public Affairs	Nathan Green	No Delegate	N/A	N/A	N/A	N/A
		VC for University Affairs	Malcom Turner	No Delegate	N/A	N/A	N/A	N/A
Research and Sponsored projects - Grants, contracts, cooperative agreements								
Proposals, awards and all research related agreements for grants, contracts and cooperative agreements including confidentiality disclosure agreements (COAs) and non-disclosure agreements (NDAs)	Provost	Provost	Susan Wente	Padma Raghevan	Vice Provost for Research	None	None	None
Federal indirect cost and fringe benefit rate agreements	VC for Administration	VC for Administration	Eric Kopstein	Judy Devonport	Assoc. Director, Sponsored Programs Administration	None	None	None
State and local indirect cost rate agreements	VC for Administration	VC for Administration	Eric Kopstein	Andrew M. Budell	Director of Contracts	None	None	None
Settlement of sponsored project audits (e.g., A-133 audit)	VC for Administration	VC for Administration	Eric Kopstein	Michelle Wachter	Manager of Sponsored Programs	None	None	N/A
Agreements to provide services to external users of institutional cores and shared resources.	Provost	Provost	Susan Wente	Cathy Snyder	Director, Contract & Grant Accounting	N/A	N/A	N/A
				Spruell Driver, Jr.	Sponsored Program Contract Officer, Sponsored Programs Administration	None	None	None
				Andriana Budell	Director of Contracts	None	None	None
				Michelle Wachter	Manager of Sponsored Programs	None	None	None

Code of By-Laws
OF THE VANDERBILT UNIVERSITY

1

I WISH to call the attention of our Board to the propriety of revising our By-Laws. Of nothing am I more fully persuaded than of the evil consequences of retaining in the code a Law which you dare not enforce...

CHANCELLOR GARLAND
in his report to the Board, 1890

NASHVILLE
Incorporating amendments through April 18, 2019

CHAPTER I Board of Trust

A. MEMBERSHIP AND PROCEDURES OF THE BOARD OF TRUST

1. The general government of The Vanderbilt University is vested in its Board of Trust. [1998]
2. The Board shall elect the Chancellor of the University, who shall serve at the pleasure of the Board. [1998]
3. The Board shall consist of a minimum of 5 and a maximum of 46 members who are entitled to vote, one of whom shall be the Chancellor, and such additional members as may be elected to serve as non-voting Trustees Emeriti. [2013]

No compensated member of the faculty or of the staff of the University, other than the Chancellor, shall be a member of the Board. [1998]

4. Except as otherwise specified herein, election to membership on the Board shall be for a term of five years. All members other than the Chancellor shall serve, except as otherwise

specified herein, for no more than two consecutive terms. After completing two consecutive terms, a former member may not serve on the Board for one year. Re-election to the Board shall be in accordance with the procedures set forth in Chapter I, Paragraph 5. [2016]

5. Election to membership on the Board shall be in accordance with the following procedure:

a. Individuals shall be elected by majority vote of all members present and voting at any meeting of the Board. Nominations for election to vacancies shall be presented to the Board by the Governance and Board Affairs Committee for consideration at any meeting of the Board. Terms of service for all members elected at the Spring Meeting of the Board shall begin at the beginning of the University's fiscal year, July 1. Members elected other than at the Spring Meeting shall begin serving immediately upon the adjournment of the meeting at which the member was elected. [2015]

b. Whenever a vacancy shall occur on the Board, the Chancellor shall notify all members of the Board to that effect, inviting them to suggest names for membership on the Board. The Governance and Board Affairs Committee shall not consider any names until ample time shall have been given for members of the Board to make recommendations. [2007]

c. In order to forward the knowledge of the alumni concerning the University and their participation in its activities and service, the Alumni Association of Vanderbilt University shall be asked to nominate for election to the Board every even year the current President of the Alumni Association. The nomination for the Alumni Trustee shall be presented to the Governance and Board Affairs Committee and, if approved, will be transmitted to the Board for election with all the rights and privileges of regular members. The Alumni Trustee shall serve for a maximum of one two-year term. Alumni Trustees serving as of the Spring Meeting of 2014 shall continue to serve a maximum of one four-year term. [2015]

d. In order to forward the knowledge of young alumni concerning the University and their participation in its activities and service, and to develop leaders for service to the University and the community, the Governance and Board Affairs Committee shall each year nominate a member of the graduating senior class as a Young Alumni Leader. Each Young Alumni Leader, upon election by the Board of Trust, shall first serve a three-year term on the Alumni Association Board. Upon completion of three years of service on the Alumni Association Board, the Young Alumni Leader shall serve for two years as a member of the Board of Trust. In choosing Young Alumni Leader nominees, the Governance and Board Affairs Committee shall be assisted by a nomination advisory group, which will include current students and a representative from the Alumni Association Board. Once their service on the Board of Trust has begun, Young Alumni Leaders shall hold all the rights and privileges of a regular Board member. Upon conclusion of their service on the Board of Trust, Young Alumni Leaders may not serve on the Board for one year. No person who is registered as a student in any school of Vanderbilt will be eligible to

serve as a member of the Board. Those members serving as Young Alumni Trustees as of June 30, 2014 shall serve a maximum of one four-year term; thereafter, they shall be ineligible for re-election as members until after nine years from first election. [2015]

e. All members other than the Chancellor shall retire from active membership upon attaining the age of 70, effective as of the succeeding Spring Meeting. [2016]

f. A member serving on the Board who has completed two full five-year terms, who is ineligible for continued service because of age, or at the discretion of the Board, may be elected by the Board as a Trustee Emeritus upon the recommendation of the Governance and Board Affairs Committee. There are no limits on the number of Trustees Emeriti that may be elected to the Board. Trustees Emeriti shall not be entitled to vote on matters before the Board. [2010]

g. No individual who has attained the age of 68, without previous service on the Board, shall be eligible for election to membership on the Board except by unanimous vote of the Board. [1998]

6. The Board may remove a member only if, after careful review by the Governance and Board Affairs Committee, the Committee finds that the member has: willfully breached the University's Conflict of Interest Policy; or knowingly made false or misleading statements; or been convicted of a felony; or willful breached confidentiality; or engaged in improper or immoral behavior inconsistent with the conduct expected of a Trustee. The named Trustee shall be notified by the Committee that a review is pending, at which time the Trustee shall have the right to make a written statement to the Committee prior to the Committee's deliberations. Should the Committee deliberate and subsequently recommend removal to the Board, the named Trustee shall have the right to make a written statement to the full Board, prior to the Board vote. Removal of a member shall require a vote of at least two-thirds of the Board members then in office. The Trustee shall have the right to appeal the decision in writing, at which time the Chairman of the Board shall appoint a panel of three Trustees, none of which may be a member of the Governance and Board Affairs Committee, to hear the appeal and either confirm, or overrule the Board vote. An overruling by the panel must be approved by a majority vote of the Board members then in office. [2015]

7. A majority of the voting members of the Board shall constitute a quorum for the transaction of business. [1998]

8. The Spring meeting of the Board shall generally take place the third Thursday/Friday in April and a second meeting shall be held the second Thursday/Friday in November unless waived by action of the Executive Committee. Additional meetings of the Board and its committees may be called by the Chairman of the Board as may be needed. Trustees will be notified of Board meetings at least forty-eight hours prior to the meeting. [2016]

9. Participation at any meeting of the Board or of its Committees may be by any means of communication pursuant to which all members participating may simultaneously hear each other. A member participating in a meeting by this means is deemed to be present in person at the meeting. Only regular members of the Board will attend and participate at Board meetings. [2015]

10. Action required or permitted to be taken at a meeting of the Board or its Committees may be taken without a meeting if all the members of the Board or Committee consent to take action without a meeting. The affirmative vote of the number of Board or Committee members that would be necessary to authorize or take action at a meeting shall be necessary to constitute an act of the Board or Committee without a meeting. The action must be evidenced by one or more written consents describing the action taken and signed by each member of the Board or Committee, which consent shall be included in the minutes reflecting the action taken. Action taken by written consent is effective when the last Board or Committee member signs the consent, unless the consent specifies a different effective date. [1998]

11. The University may indemnify an individual made a party to a proceeding because such individual is or was a member of the Board against liability incurred in the proceeding in accordance with the procedures set forth in the Tennessee Nonprofit Corporations Act. [1998]

12. The Board shall adopt a policy requiring disclosure of any transaction with the University in which a member of the Board or officer of the University has a direct or indirect interest. The Board may impose such additional requirements relating to conflicts of interest as it deems appropriate. [1998]

13. Policies for the guidance of the University administration shall, to the extent feasible, be adopted by the Board in writing. [1998]

B. OFFICERS OF THE BOARD OF TRUST

1. The officers of the Board of Trust shall be the Chairman, two Vice-Chairmen, and a Secretary. [1998]

a. The Chairman shall preside at all meetings of the Board, and, when present, at the meetings of the Executive Committee; shall approve the dates of all meetings of the Board; and shall have authority to call additional Board meetings. The Chairman shall exercise general supervision over the work of the Board and perform other duties appropriate to the office. [2015]

b. The Chancellor shall prepare the agenda, subject to approval of the Chairman, for meetings of the Board and of the Executive Committee, and, as the Chairman's deputy, shall assist in the general supervision of the work of the Board. [1998]

c. The Vice-Chairmen shall, in the order of their seniority in office, preside over the Board in the absence of the Chairman and shall perform other duties as may be assigned by the Chairman or requested by the Board. [1998]

d. The Secretary shall be responsible for the preservation of a full and accurate record of the meetings of the Board. The Secretary may be assisted in the performance of the Secretary's duties by one or more members of the administration of the University. [1998]

2. All voting for officers shall be on nominations made by the Governance and Board Affairs Committee, and shall require a two-thirds vote of the members present for election. Officers shall serve for a three-year term, with a maximum of two terms in any one position. Notwithstanding the provisions of Chapter I (A) (4), a member serving as an officer at the expiration of said term as a member may be re-elected as a regular member in order to complete the maximum term of service as an officer. [2015]

3. The Board may remove an officer of the Board with or without cause upon a majority vote of the members present and voting at any regular meeting or additional meeting called by the Chairman of the Board. [2015]

C. COMMITTEES OF THE BOARD OF TRUST

1. There shall be the following standing committees of the Board of Trust, together with such other standing and *ad hoc* committees as the Board may create from time to time: **Academic and Student Affairs, Athletics, Audit, Compensation, Development, Executive, Governance and Board Affairs, and Investment.** [2019]

All committee members, including community members, shall serve renewable three-year terms for a maximum of two terms after which the member is ineligible for re-election for one year. All committee chairs and vice-chairs shall serve renewable three-year terms for a maximum of two consecutive terms and shall be ineligible for re-election for one year. Notwithstanding the foregoing, a member serving as chair or vice-chair at the expiration of said term as a member may be re-elected as a member in order to complete the maximum term of service as chair or vice-chair. Also notwithstanding the foregoing, a committee member's term shall cease when his/her term as a Board member ends. Members of *ad hoc* Board committees shall serve at the pleasure of the Chairman of the Board. [2015]

A majority of the voting members of a committee shall constitute a quorum for the transaction of business. [2002]

2. The **Academic and Student Affairs Committee** shall be elected by the Board of Trust and be composed of the Chancellor and at least five additional members of the Board. The Chairman of the Board shall appoint the chair and vice chair of the Committee. The Committee shall meet at least semi-annually. [2015]

The Committee shall facilitate interactions between the Board and members of the faculty, including the Faculty Senate, and hear reports regarding the academic programs of the University. It shall also assist in maintaining relations with students, hear reports from students and others regarding student life, and assist in the enhancement of the quality of student life. The Committee shall be advisory to the Board of Trust and meeting minutes shall be available for Trustee review. [2015]

3. The **Athletics Committee** shall be elected by the Board of Trust and be composed of the Chancellor and at least five additional members of the Board. The Chairman of the Board shall appoint the chair and vice-chair of the Committee. The Committee shall meet at least semi-annually. [2015]

The Committee shall review the operation and provide oversight of the athletic programs of the University, and shall assist with public relations and fund-raising in support of those programs. The Committee shall be advisory to the Board of Trust and meeting minutes shall be available for Trustee review. [2015]

4. The **Audit Committee** shall be elected by the Board of Trust and shall be composed of the Chairman of the Board and at least five additional members of the Board who are not employed by the University and are financially literate. Additionally, at least one member should be an "audit committee financial expert" as defined by the Securities and Exchange Commission. The Chairman of the Board shall appoint the chair and vice-chair of the Committee. The Committee shall meet at least semi-annually. [2015]

The Committee shall have authority and direct responsibility for appointing, compensating, and overseeing the external auditors and for reviewing reports and management letters generated by the external auditors. At least annually it will report its assessment of the external auditors to the full Board. It serves as the Board of Trust's overall guardian of financial integrity. It shall review reports of Internal Audit activities in addition to reviewing the appointment and replacement of the Director of Internal Audit. The Committee shall also review reports of the University's compliance efforts, including the adequacy and management of the University's conflict of interest policies and provide oversight of compliance with those policies. The Committee, or the Chair of the Committee if so determined by Committee vote, shall review the reasonableness and appropriateness of expenditures made by or for the Chancellor and recommend policies or procedures for expense reimbursement. The Committee has the authority and necessary funding to engage independent counsel and other advisers as it determines necessary to carry out its duties. Meeting minutes shall be available for Trustee

review. [2018]

5. The **Compensation Committee** shall be elected by the Board of Trust and be composed of the Chairman of the Board and at least five additional members of the Board, the majority of which shall be members of the Executive Committee. The Chancellor shall not serve on the Committee. The Chairman of the Board shall appoint the chair and vice-chair of the Committee. The Committee shall meet at least semi-annually. [2019]

The Committee shall have the authority and direct responsibility for overseeing and approving Vanderbilt's general officer evaluation processes and total compensation, and the compensation of any other key employees that would be considered disqualified persons pursuant to IRS regulations. The general officers of Vanderbilt include the Chancellor and all Vice Chancellors. The Committee shall also have the authority and direct responsibility for approving the initial appointment of general officers and any other key employees considered disqualified persons, with the exception of the Chancellor. The Chancellor's total compensation shall be recommended to the Executive Committee. The Compensation Committee shall establish, monitor, and modify the Executive Compensation Philosophy as necessary to meet the needs of Vanderbilt. The Committee has the authority and necessary funding to engage independent counsel and other advisers, as it determines necessary to carry out its duties. The chair shall report to the full Board of Trust annually on the matters considered each year by the Committee. [2019].

6. The **Development Committee** shall be elected by the Board of Trust and be composed of the Chairman of the Board, the Chancellor, the Chair/co-Chairs of any University-wide Campaign and any additional members of the Board, including community members who are not currently Trustees but play significant volunteer roles in garnering philanthropic support for the University. The Chairman of the Board shall appoint the chair and vice-chair of the Committee. The Committee shall generally meet two times annually or as needed. [2019].

The Committee shall assist in securing philanthropic support from Trustees, alumni, parents, friends, corporations, foundations, and organizations ("stakeholders") of the University. Committee members shall exemplify volunteer engagement and philanthropy and advocate for support of the University's highest priorities working in close partnership with the Chancellor and Vice Chancellor for Development and Alumni Relations. [2019].

7. The **Executive Committee** shall be elected by the Board of Trust and be composed of the Chairman of the Board, who shall serve as chair; the Vice-Chairmen of the Board, who shall serve as vice-chairs; the Secretary of the Board; the Chancellor, who shall serve as Secretary; the chairs of the Audit Committee, Compensation Committee, Governance and Board Affairs

Committee, Investment Committee, and any special University-wide fund raising campaign; and up to five additional members of the Board. The Board of Trust shall also have the authority to elect additional members of the Board to the Executive Committee as necessary to conduct the business of the Committee. The Executive Committee shall meet as needed. [2016].

The Executive Committee shall be empowered to act upon all questions and transact business of every kind when the Board is not convened except that which, pursuant to law or these Bylaws, requires action by the full Board of Trust. The Committee shall have the authority and direct responsibility for review and approval of the annual University Budget and long-range policies governing University expenditures and other financial obligations. The action of the Committee shall be final provided it shall be without authority to alter, modify, or rescind any affirmative action or policy taken or approved by the Board. All actions taken by the Committee shall be reported to the Board at its next regular meeting, or through the distribution of minutes which shall be available for Trustee review. [2015]

8. The **Governance and Board Affairs Committee** shall be elected by the Board of Trust and be composed of the Chairman of the Board, the Chancellor, and at least five additional members of the Board, one of whom shall be appointed chair by the Chairman of the Board. The Chairman of the Board shall also appoint the vice-chair of the Committee. At least one member of the Committee shall also be a member of the Investment Committee. The Governance and Board Affairs Committee shall meet as needed. [2015]

The Committee shall present nominations for membership of the Board, for officers of the Board, and for membership of the standing committees of the Board. The Committee shall also present nominations for 30% (rounded up to the nearest whole number) of the membership of the Vanderbilt University Medical Center Board of Directors, designated as VU Directors. The Committee shall periodically review the By-Laws and any proposed changes to the By-Laws. In accordance with Chapter III (Amendments), the Governance and Board Affairs Committee shall make recommendations to the Board regarding any proposed amendment. In accordance with Chapter I, A, 6, in the event the dismissal of a Trustee is warranted, the Committee shall make the recommendation to the Board. The Committee may also make recommendations on any other matters relating to Board affairs and the operations of the Board [2015]

9. The **Investment Committee** shall be elected by the Board of Trust and be composed of the Chairman of the Board, the Chancellor, and at least five additional members of the Board, and up to three individuals not members of the Board who are chosen for their investment expertise. The Chairman of the Board shall appoint one of the additional members of the Board to serve as chair. The Chairman of the Board shall also appoint the vice-chair of the Committee. The Committee shall meet at least quarterly. [2015]

The Committee shall have authority and direct responsibility, within any policies and subject to any specific instructions of the Board, for the management, investment and custody of

the University's endowment assets, and of assets functioning as endowment, and for the investment of the assets of charitable remainder and other trusts where the University is named trustee. The Committee may delegate management and investment authority to the Vice Chancellor for Investments, provided that delegation is in writing, that the Committee receive and review regular reports from the Vice Chancellor for Investments, and that the Committee review the level of delegation and the policies and procedures of the Vice Chancellor for Investments on at least an annual basis. The Chancellor, and those acting on his authority, shall be responsible, within any policies and subject to any specific instructions of the Board, for the other assets of the University. Meeting minutes shall be available for Trustee review. [2015]

CHAPTER II Immediate Government of the University

A. GENERAL PROVISIONS

1. The immediate government of the University is committed to the Chancellor and, through the Chancellor, to the assisting officers and the faculty in each of the several schools and colleges. [1982]
2. The Chancellor shall carry out the policies adopted from time to time by the Board of Trust. The Chancellor is vested with general authority to execute documents and contracts on behalf of the University, except as may be otherwise provided by resolutions of the Board. [1998]

B. THE CHANCELLOR

1. The Chancellor shall be the chief officer of the University. The Chancellor may delegate authority to the General Officers, to the faculties, and to others within the University, but no delegation of authority shall in any wise diminish the Chancellor's responsibility to the Board of Trust. The Chancellor has authority to suspend the action of any faculty of the University, the Faculty Senate, or of other individuals or bodies to whom authority has been delegated. In so doing, in the case of any faculty or of the Faculty Senate, the Chancellor shall promptly submit to the body concerned, in writing, a statement of the action and the reasons therefore, and the Chancellor shall report the action to the Board at its next regular meeting together with any pertinent statement submitted by the body affected. [2015]
2. The Chancellor shall preside at Commencement and confer degrees on behalf of the Board. [1998]
3. The Chancellor is, *ex officio*, chairman of the faculty of each school and college. [1982]

4. The Chancellor shall recommend for appointment the General Officers and Deans of colleges and schools, as necessary, for the orderly administration of the University. These shall serve at the pleasure of the Chancellor. The appointment of General Officers and Deans of colleges and schools shall require approval as authorized by the *Code of Bylaws*. [2019]

C. THE FACULTIES

1. The faculty of each school or college shall meet at such times as it may appoint, or at the call of the Chancellor or the appropriate dean. Each faculty may establish its own procedures for calling meetings. [1982]

2. The faculties have the power of recommending individuals for degrees or other marks of academic distinction when the conditions prescribed in the several departments, colleges, and schools have been fulfilled. No individual shall be awarded a degree without the recommendation of the appropriate faculty. None of the regular degrees of the University shall be conferred as honorary degrees, nor shall any honorary degree be conferred by the University except upon recommendation of the Faculty Senate and with the concurrence of the Board of Trust and of the faculties. Each faculty may adopt policies, rules, and procedures found necessary or desirable in connection with its internal administration. [1981]

D. THE FACULTY ASSEMBLY AND FACULTY SENATE

1. Voting membership of the Faculty Assembly consists of the full-time members of the faculties of the several colleges and schools, and those having full status with partial load, who hold the rank of Instructor or above (which includes administrative officers who hold faculty appointments). Part-time members of the faculties not having full status with partial load are nonvoting members of the Faculty Assembly. [1981]

2. The Faculty Senate is the representative, deliberative, legislative body of the Faculties. It is composed of the Deans of the colleges and schools, elected members, and *ex officio* members, including the Chancellor. *Ex officio* members may participate fully in the deliberations, but they have no vote. [1982]

3. The Faculty Assembly may adopt a Constitution, setting forth its own regulations and rules of order, and also the composition and organization of the Senate to the extent not herein above provided, including procedures for changing its composition from time to time. The Senate may be given power under the Constitution to adopt its own regulations and rules of order. The Constitution may contain provisions for its own amendment. [1966]

4. The Senate may, under the Constitution, be vested with the power to review and evaluate the educational policies and practices of the University (including policies and procedures to be applied in cases involving conscience or academic freedom); to make recommendations

concerning them to the Chancellor, and through the Chancellor to the Board of Trust; to discuss and express its views about any matter affecting the University to any individual, faculty, or other group within the University; and to facilitate communication among the faculties, the Chancellor, and assisting officers. [1982]

CHAPTER III Amendments

1. These By-Laws may be amended at any regularly called meeting of the Board, by a majority vote of all the voting members then in office. [2015]
2. Notice of any proposed amendment shall be given to each member of the Board in writing at least seven (7) days prior to the meeting at which such amendment is to be considered. [2016]

Charter

TWO DECREES inscribed in the Minute Book of Chancery Court in Nashville, Davidson County, Tennessee, constitute the Charter of Vanderbilt University. The first decree, entered August 6, 1872, in Minute Book W, pages 267-268-269, ordered that certain petitioners be declared a body politic and corporate under the name and style of The Central University of the Methodist Episcopal Church South. The second decree, entered June 16, 1873, in Minute Book X, pages 309B310, changed the legal name of the corporation to The Vanderbilt University.

On the following pages the text is a line-for-line transcription of the handwritten entries in the Minute Books.

TRANSCRIPT

This matter came on this day to be heard before the Hon'l Nathaniel Baxter Judge &c. of the Circuit Court of Davidson County, sitting by interchange with the Honorable Edward H. East, the Chancellor presiding, but who was incompetent to preside and hear this cause, for the reason that he was interested herein, and the same was heard upon the petition of W. C. Johnson, Robert J. Morgan, Smith W. Moore, and Milton Brown citizens and residents of the State of Tennessee and representatives of the Memphis Conference of the Methodist Episcopal Church South and Alexander L. P. Green, Jordan Stokes, David C. Kelley, Edward H. East, David T. Reynolds and Robert A. Young citizens and residents of Tennessee and representatives of the Tennessee Conference, and Landon C. Garland a citizen and resident of Mississippi and Philip Tuggle a citizen and resident of Tennessee, the two latter representing the North Mississippi Conference, and James H. McFerrin and John M. Steel citizens of the State of Arkansas, and representatives of the White River Conference and Christopher D. Oliver and Wm Dickson citizens of the State of Alabama and representatives of the North Alabama Conference, and Edward Wadsworth and

W. M. Byrd citizens of the State of Alabama and representatives of the Alabama Conference and Wm. L. C. Hunnicutt and Thomas Christian citizens of the State of Mississippi and representatives of the Mississippi Conference and James L. Borden and Wm H. Foster, citizens of the State of Louisiana and representatives of the Louisiana Conference, Andrew Hunter and James L. DeYampert citizens of the State of Arkansas and representatives of the Louisiana [Little Rock] Conference, and it appearing to the Court that said persons in their said petition prayed to be incorporated, under the name and style of The Central University of the Methodist Episcopal Church South, the object and plan of said University having been fully set forth in resolutions passed by the delegates of said Conference, at a convention of the same held in the City of Memphis on the 24th, 25th, 26th and 27th of January, 1872, and which resolutions are in words and figures as follows:

Resolved by the Convention,

1st That measures be adopted looking to the establishment, as speedily as practicable of an institution of learning of the highest order and upon the surest basis where the Youth of the Church and Country may prosecute theological, literary, Scientific and professional studies to an extent as great, and in a manner as thorough as their wants demand.

Second, That the institution shall be called the Central University of the Methodist Episcopal Church South.

Third. That it shall consist at present of five schools or departments, viz. a Theological school for the training of our young preachers, who, on application for admission shall present a recommendation from a quarterly or annual conference, and shall have obtained a standard of education equal to that required for admission on trial into an annual conference; and instruction to them shall be free both in the theological and the literary and scientific departments. Secondly, A Literary and scientific school. Thirdly, A Normal School. Fourthly, a Law School. Fifthly, A Medical School.

Fourthly. That the sum of One Million Dollars necessary in order to realize fully the object desired; and not less than five hundred Thousand dollars, must be secured as a condition precedent to the opening of any department of the University.

Fifthly. That the location of the University shall be left to the decision of the College of Bishops of the Methodist Episcopal Church South.

Sixthly. That the carrying out of this whole scheme is hereby committed to the persons (herein named before as petitioners) who shall take immediate steps for securing a suitable charter of incorporation, and shall be a Board of Trust with power to solicit and invest funds, appoint an agent or agents, and to do whatever else is necessary for the execution of this scheme.

Seventh. That seven of the Board of Trustees at any meeting regularly called, shall constitute a quorum.

Eighth; That provision be made in the charter for giving a fair representation in the management of the University to any annual conference hereafter cooperating with us.

Ninthly. That the Bishops of the Methodist Episcopal Church South be and are hereby requested to act as a Board of supervision of the University or any of its departments, and jointly with the Board of Trust, to elect Officers and professors and prescribe the course of study and the plan of government.

And it further appearing to the Court that upon the filing of said petition, the Clerk & Master of this Court caused, by an order at rules, the same to be advertised, in pursuance of the statute in such cases made and prescribed, and it further appearing to the Court that no one has appeared, and made known any objection, to the granting of the prayers of the petition, and the Court upon inspection of the designs and objects of said corporation, finds nothing therein contained to be against public policy or good morals or in conflict with the constitution and Laws of the State or of the United States, is pleased to grant the prayer of the same, and doth hereby order adjudge and decree that the petitioners, be declared a body politic and corporate, under the name and style of The Central University of the Methodist Episcopal Church South@ and in that name may sue and be sued, plead and be impleaded, in the Courts of this State or of the other States of the Union, or of the United States of America, may have a common Seal, which may be altered at pleasure shall have perpetual succession may solicit and receive subscriptions, donations, legacies and devises, may hold real estate & personal property, in such amounts as the business of the corporation requires, and may receive the same by contract gift will or devise, and shall hold the same for the purposes of said in corporation, with all the lawful conditions imposed by the donor, may appoint such subordinate officers and agents and the business of the Corporation requires prescribe their duties and fix their compensation, to make bylaws not inconsistent with the laws of the land or this charter or the resolutions of the convention at Memphis as set out herein before which resolutions are hereby adopted as a part of this charter but shall make all by-laws necessary and proper to carry out the objects of said resolutions as well as for the management of its property and the regulation of its affairs and may also have power to pass all by-laws, necessary to the use of the powers herein given, or which by law may hereafter be confirmed, and all said powers rights and privileges, together with such others as are not herein specially given and referred to, are hereby conferred upon said corporation, in as full complete and ample manner, as by the laws of the State, the same can or might be, and said corporation shall have the power to confer all the degrees of merit and honor usually conferred by Universities.

It is further decreed that petitioners pay the costs of this proceeding, and that C & M issue to them a certified copy of this decree.

Nathaniel Baxter
Judge

This matter came on this day to be heard before the Chancellor upon the petition heretofore filed, and publication of the matter thereof having heretofore been made according to the Statutes in such cases made and provided, the Court is pleased to Order and decree that the name and style of the Central University of the Methodist Episcopal Church South a corporation heretofore chartered under the constitution and laws of this State, as a University of learning, and with all the powers rights and privileges of such corporation as is now, given and conferred by the laws of the State of Tennessee, or may hereafter be given and conferred be changed to the Name and Style of The Vanderbilt University@ by which name it shall hereafter be known, and sue and be sued, hold and receive property, confer degrees and do any and all things, which by the present or future laws of Tennessee, it may be empowered to do. It is further decreed that all the rights of property powers to contract privileges immunities and franchises, which heretofore by law

under the decree of this Court were conferred upon the said corporation under the Name and Style of the Central University of the Methodist Episcopal Church South, and the property or rights thereof which have heretofore been secured to said Corporation pass to The Vanderbilt University, and its assigns and successors forever for the purposes of said Corporation, and that it have power to pass by-laws resolutions not inconsistent with the laws of the land, and to increase & diminish the number of its trustees and change the name of its schools and do and perform any and all acts allowable by law to Corporations of learning. It is further decreed that the said Vanderbilt University pay the costs of this proceeding for which are issued.

Ordered that Court adjourn to Monday June 23, 1873.

W. F. Cooper
Chancellor

**Appendix A: From the Securities and Exchange Commission (SEC). Final Rule:
Disclosures required by Sections 406 and 407 of the Sarbanes-Oxley Act of 2002.
*Section II. A. 4c Final definition of Audit Committee Financial Expert***

The final rules define an audit committee financial expert as a person who has the following attributes:

- An understanding of generally accepted accounting principles and financial statements;
- The ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
- Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities;
- An understanding of internal controls and procedures for financial reporting; and
- An understanding of audit committee functions.

Under the final rules, a person must have acquired such attributes through any one or more of the following:

1. Education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;
2. Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;
3. Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or
4. Other relevant experience.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/08/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Willis of Tennessee, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	CONTACT NAME: PHONE (A/C, No, Ext): 1-877-945-7378 FAX (A/C, No): 1-888-467-2378 E-MAIL ADDRESS: certificates@willis.com	
	INSURER(S) AFFORDING COVERAGE	
INSURED Vanderbilt University 110 21st Ave. S., Suite 900 Nashville, TN 37203	INSURER A: United Educators Insurance & Reciprocal Ri NAIC # 10020	
	INSURER B: Safety National Casualty Corporation 15105	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** W11988094 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			[REDACTED]	07/01/2019	07/01/2020	EACH OCCURRENCE \$ 2,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$
	<input checked="" type="checkbox"/> SIR \$1,000,000						MED EXP (Any one person) \$
	GENL AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$ 2,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						GENERAL AGGREGATE \$ 2,000,000
	OTHER:						PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB						EACH OCCURRENCE \$
	<input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR						AGGREGATE \$
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A						E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
B	Excess Workers Compensation			[REDACTED]	07/01/2019	07/01/2020	E.L. DISEASE - POLICY LIMIT \$
	Excess of Tennessee Self Insured Program						Each Accident \$1,000,000
							Each Employee \$1,000,000
							Aggregate \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

This Voids and Replaces Previously Issued Certificate Dated 07/01/2019 WITH ID: W11935325.

Vanderbilt University is self-insured for Workers Compensation.

CERTIFICATE HOLDER CANCELLATION

New Hampshire Department of Education ATTN: Santina Thibedeau Administrator Bureau of Student Support 101 Pleasant Street Concord, NH 03301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

2018 FINANCIAL REPORT

VANDERBILT  UNIVERSITY

Contents

Letter from the Chancellor	3
Vanderbilt University Statistics.....	4
Financial Overview	5
Consolidated Financial Statements	
Report of Independent Auditors	12
Consolidated Statements of Financial Position	13
Consolidated Statements of Activities	14
Consolidated Statements of Cash Flows	16
Notes to the Consolidated Financial Statements	17

Letter from the Chancellor

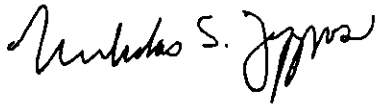
As a university community, we come together every day to use our unique talents, strengths and capabilities to advance Vanderbilt University's mission of world-changing research, teaching and service to humanity. In the past fiscal year, together we achieved significant success, financial and otherwise. I am confident that the progress we have made and is described in this report will inspire you for the work ahead as much as it does me.

Financial responsibility and loyal friends empower us to attract top talent from across the nation and around the world. The Chancellor's Chair Challenge, a \$30 million investment designed to create 30 new endowed chairs, has allowed us to recruit new colleagues at the cutting edge of their fields. Opportunity Vanderbilt, which enables students to complete their degrees without debt and celebrates its 10th anniversary this year, helped pave the way for us to welcome the most gifted and diverse first-year class in our history this fall. Once on campus, our students live and learn side-by-side with faculty mentors in residential colleges that provide the academic, intellectual, and social support critical to nurture their development as scholars, citizens and change agents. Our diverse and inclusive community is the essential ingredient to our success in all of our endeavors.

Our land use planning process, FutureVU, made tremendous progress in its second year. This roadmap for current and future growth provides the consistent strategy and guiding principles necessary for the realization of the Academic Strategic Plan through capital projects and other improvements to the built environment designed around a commitment to sustainability.

Our pledge to sound financial stewardship is one we hold at the forefront of all of our actions. The university's healthy financial standing is at the root of our achievements, enabling us to pass on the values we hold highest to the new generations of leaders and scholars who will next embrace our common mission and propel us onward.

Sincerely,



Nicholas S. Zeppos
Chancellor

Vanderbilt University Statistics

	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
STUDENTS					
Undergraduate	6,885	6,871	6,883	6,851	6,835
Graduate and professional	5,707	5,716	5,684	5,835	5,922
Total fall enrollment	12,592	12,587	12,567	12,686	12,757
Undergraduate admissions					
Applied	31,462	32,442	31,464	29,518	31,099
Accepted	3,415	3,487	3,674	3,865	3,963
Enrolled	1,607	1,601	1,607	1,605	1,613
Selectivity	10.9%	10.7%	11.7%	13.1%	12.7%
Yield	47.1%	45.9%	43.7%	41.5%	40.7%
Degrees conferred					
Baccalaureate	1,716	1,716	1,723	1,644	1,663
Master's	1,477	1,487	1,421	1,497	1,416
M.D.	79	98	104	120	91
Other doctoral	583	585	564	598	580
Total degrees conferred	3,855	3,886	3,812	3,859	3,750
Undergraduate six-year graduation rate	93.6%	91.5%	92.3%	92.0%	92.9%
Undergraduate tuition	\$ 46,500	\$ 44,496	\$ 43,620	\$ 42,768	\$ 41,928
% increase over prior year	4.5%	2.0%	2.0%	2.0%	2.0%

FACULTY AND STAFF ¹

Full-time faculty	1,431	1,421	1,404	3,740	3,742
Full-time staff	4,205	4,177	4,060	19,305	19,671
Part-time faculty	339	318	323	439	405
Part-time staff	346	521	509	692	709
Total faculty and staff	6,321	6,437	6,296	24,176	24,527

GRANT AND CONTRACT FUNDING ²

(in thousands)

Government sponsors	\$ 151,580	\$ 155,446	\$ 147,980	\$ 150,760	\$ 358,632
Private sponsors	22,298	24,345	31,087	26,497	69,466
Facilities and administrative costs recovery	56,868	57,489	55,426	54,610	140,051
Total grants and contracts	\$ 230,746	\$ 237,280	\$ 234,493	\$ 231,867	\$ 568,149

ENDOWMENT

Market value (in thousands)	\$ 4,608,461	\$ 4,136,465	\$ 3,795,586	\$ 4,093,388	\$ 4,046,250
Endowment return	12.6%	11.5%	-4.3%	3.7%	13.3%
Endowment per student	\$ 365,983	\$ 328,630	\$ 302,028	\$ 322,670	\$ 317,179
Endowment payout	4.7%	5.1%	4.7%	4.1%	4.1%

¹ On April 29, 2016, Vanderbilt University ("VU") and Vanderbilt University Medical Center ("VUMC") became two separate legal entities. VU transferred clinical services operations, post-graduate training programs, and clinical department research activities, along with related assets and liabilities, to VUMC as a newly incorporated Tennessee not-for-profit corporation in exchange for \$1.230 million of consideration (the "Transaction"). The Transaction drove a decrease in faculty and staff numbers from fiscal 2015 to 2016. In addition to the faculty employed by VU at the end of fiscal years 2018, 2017, and 2016, some employees of VUMC held VU faculty appointments. These additional VUMC-employed, VU faculty comprised:

VUMC-employed, VU faculty appointments	2017/2018	2016/2017	2015/2016
Full-time	2,830	2,680	2,463
Part-time	116	131	125
Total	2,946	2,811	2,588

² Fiscal years prior to 2015 include grant and contract funding related to the operations of VUMC. As a result of the Transaction, these amounts were reclassified to discontinued operations in the consolidated statements of activities for fiscal year 2016.

FINANCIAL OVERVIEW

The university ended fiscal year 2018 with \$94 million of net operating results compared to \$70 million in fiscal 2017. Vanderbilt's unrestricted net assets increased \$241 million from fiscal 2017 to 2018 reflective of the impact of positive operating results, favorable investment returns, and gifts to the university.

UNRESTRICTED OPERATING REVENUES

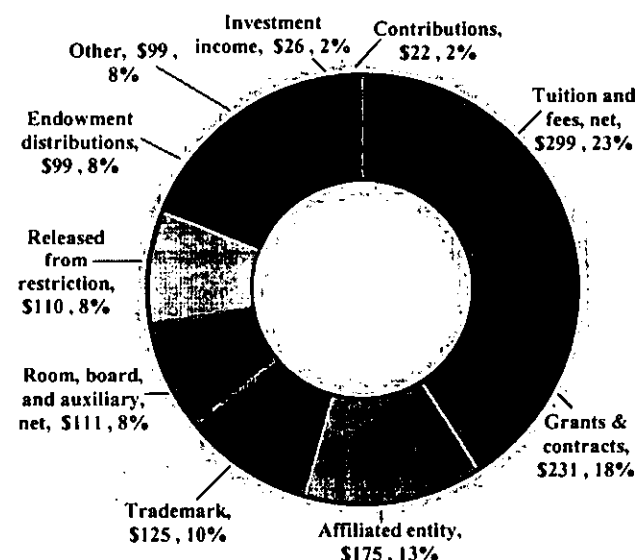
Vanderbilt's unrestricted operating revenues for the years ended June 30, 2018, and June 30, 2017, were as follows:

<i>(in millions)</i>	2018	2017
Tuition and educational fees, net	\$ 299	\$ 282
Government grants and contracts	152	156
Private grants and contracts	22	24
F&A costs recovery	57	57
Contributions	22	27
Endowment distributions	99	96
Investment income	26	22
Room, board, and other auxiliary services, net	111	110
Trademark, license, and royalty	125	113
Affiliated entity revenue	175	174
Other sources	99	97
Net assets released from restrictions	110	116
Total unrestricted operating revenue	\$ 1,297	\$ 1,274

Unrestricted operating revenues increased \$23 million, or 2%, to \$1,297 million in fiscal 2018, from \$1,274 million in fiscal 2017. Trademark, license, and royalty revenue increased \$12 million primarily due to revenue generated under the Trademark Licensing Agreement with VUMC. Tuition and fees, net, increased by \$17 million due to changes in student enrollment, credit hours, and approved increases in tuition rates. Partially offsetting these increases, revenue from government and private sponsors decreased by \$4 million and \$2 million, respectively, due to continued constraints on federal and private funding.

Unrestricted Operating Revenues by Type¹ (Fiscal 2018)

(in millions)



TUITION, ROOM, AND BOARD

Supporting Vanderbilt's commitment to student access and affordability, the university provides significant financial aid to students and their families. In fiscal 2018, Vanderbilt provided \$276 million in support to its students for tuition, room, and board as shown in the table below.

	Undergrad	Professional	Graduate	Total
<i>Student count</i>	6,885	3,611	2,096	12,592
<i>(in millions)</i>				
Tuition and fees	\$ 331	\$ 157	\$ 51	\$ 539
Financial aid ⁽¹⁾	(144)	(51)	(45)	\$ (240)
Tuition and fees, net	\$ 187	\$ 106	\$ 6	\$ 299
Room and board	\$ 81	\$ -	\$ -	\$ 81
Financial aid ⁽¹⁾	(36)	-	-	(36)
Room and board, net	\$ 45	\$ -	\$ -	\$ 45
Total financial aid⁽¹⁾	\$ 180	\$ 51	\$ 45	\$ 276

¹ Financial aid excludes Pell Grants of \$4 million as these amounts represent agency funds.

Undergraduate Financial Aid
fiscal 2009 - 2018 (in millions)



Vanderbilt has expanded its undergraduate financial aid significantly over the past decade. In fiscal 2018, undergraduate aid as a percentage of gross tuition, room and board, and educational fees was 44%. Nearly half of Vanderbilt's undergraduate financial aid was funded in fiscal 2018 and 2017. The university's Opportunity Vanderbilt no-loan initiative, which began in fiscal 2009, is critical to this support. Through fiscal 2018, generous donors have committed, through gifts and pledges, \$387 million to support undergraduate financial aid. A portion of operations (\$98 million), endowment distributions and gifts (\$78 million), and external agencies (\$4 million) funded fiscal 2018 undergraduate aid.

GRANTS AND CONTRACTS

Direct grant revenue decreased by \$6 million, or 3%, to \$174 million in fiscal 2018 from \$180 million in fiscal 2017. Government grants and contracts revenue decreased \$4 million, or 3%, to \$152 million in fiscal 2018 from \$156 million in fiscal 2017, due to decreases across federal funding sources. Private grants and contracts revenues decreased \$2 million, or 8%, over the same period to \$22 million in fiscal 2018 from \$24 million in fiscal 2017.

As shown in the following table, the largest source of direct government grant and contract revenue was the Department of Health and Human Services (primarily the National Institutes of Health, or NIH).

Grants and Contracts Revenues by Funding Source

(in millions)	2018	%
Department of Health and Human Services	\$ 83	55%
Department of Education	20	13%
National Science Foundation	16	11%
Department of Defense	14	9%
Department of Energy	7	5%
Other government agencies	12	7%
Total government grants and contracts by funding source	\$ 152	100%

Sponsored research and project awards represent research funding commitments not yet expended by Vanderbilt and include multiple-year grants and contracts from government sources, foundations, associations, and corporations. As of June 30, 2018 and 2017, such awards totaled \$215 million and \$242 million, respectively, as shown in the following table.

Sponsored Program Awards

(in millions)	2018	2017
Government awards	\$ 183	\$ 213
Private awards	32	29
Total sponsored research and project awards	\$ 215	\$ 242

PHILANTHROPY

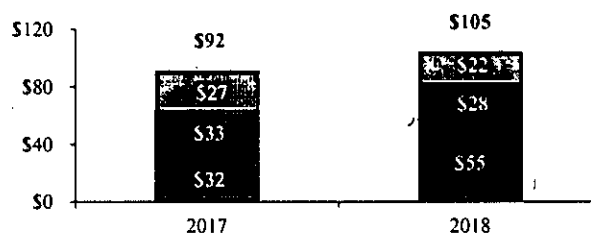
Vanderbilt reports contributions revenue within the consolidated financial statements based on U.S. GAAP. This basis for measurement differs from guidelines established by the Council for Advancement and Support of Education (CASE). CASE guidelines focus on philanthropic distributions of private resources (primarily gifts and foundation grants) to benefit the public.

GAAP to CASE Reconciliation

(in millions)	2018
Contributions revenue	
Unrestricted	\$ 22
Temporarily restricted	6
Permanently restricted	55
Total contributions revenue	83
Total contributions for capital improvements	22
Total consolidated GAAP contributions revenue	\$ 105
Grants and similar agreements meeting CASE guidelines (gifts per CASE standards)	\$ 84
Athletics premium seat revenue (reported as ticket revenue in Other sources)	2
Net increase in contributions receivable	(20)
Other	3
Total CASE reported gifts (cash basis)	\$ 174

Vanderbilt reported \$105 million in consolidated contributions revenue, including pledges and contributions for capital improvements, a 14% increase over the \$92 million fiscal 2017 level. Fiscal 2018 CASE grants of \$84 million include \$81 million from VUMC in support of research and education.

Consolidated Contributions (GAAP basis)
(in millions)



- Contributions for capital improvements
- Unrestricted and temporarily restricted
- Permanently restricted (additions to endowment corpus)

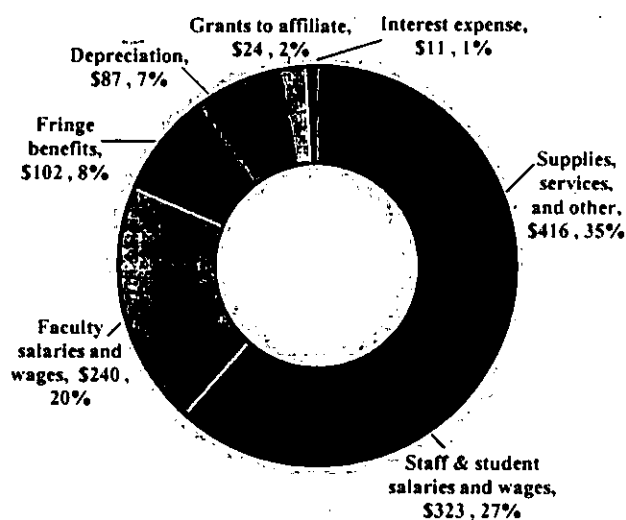
OPERATING EXPENSE

<i>(in millions)</i>	2018	2017
Salaries, wages, and benefits	\$ 665	\$ 646
Supplies, services, and other	416	440
Interest expense	11	15
Depreciation	87	81
Grants to affiliate	24	22
Total operating expenses	\$ 1,203	\$ 1,204

Consolidated operating expenses decreased \$1 million to \$1,203 million in fiscal 2018 from \$1,204 million in fiscal 2017. The primary driver of this decrease was a \$24 million, or 6%, decrease in supplies, services, and other driven by decreases across expense categories, partially offset by a \$19 million, or 3%, increase in salaries, wages, and benefits primarily attributable to annual salary adjustments.

Operating Expenses by Type (Fiscal 2018)

(in millions)



OTHER CHANGES IN UNRESTRICTED NET ASSETS

<i>(in millions)</i>	2018	2017
Appreciation of endowment, net of dist.	\$ 105	\$ 53
Appreciation of other investments, net of distributions	30	23
Appreciation of interest rate exchange agreements	9	32
Capital contributions and releases from restriction	20	25
Nonoperating net asset reclassifications	(4)	(4)
Debt defeasance costs	-	(6)
Total changes from nonoperating	\$ 160	\$ 123

Fiscal 2018 nonoperating activity primarily consisted of appreciation of endowment, net of distributions, totaling \$105 million in fiscal 2018, an increase of \$52 million compared to fiscal 2017. The change in appreciation for the endowment resulted from a 12.6% investment return offset by 4.7% of the endowment utilized for distributions during fiscal 2018, compared to an 11.5% investment return and 5.1% of the endowment utilized for distributions during fiscal 2017. Other changes in net assets also include the impact of \$30 million of unrealized gains on working capital invested alongside the endowment.

In fiscal 2018, Vanderbilt recognized net appreciation on interest rate exchange agreements of \$9 million, compared to \$32 million in fiscal 2017. The improvement noted in fiscal 2018 was primarily attributable to an increase in the 30-year LIBOR paired with continued interest rate exchange agreement terminations.

Noncontrolling Interests

Net assets related to noncontrolling interests decreased \$12 million to \$50 million in fiscal 2018 from \$62 million in fiscal 2017 due to distributions of \$18 million offset slightly by \$5 million of appreciation and \$1 million of cash contributions during fiscal 2018.

SUMMARY OF FINANCIAL POSITION

Vanderbilt's summarized Statements of Financial Position as of June 30, 2018, and June 30, 2017, were as follows:

<i>(in millions)</i>	2018	2017
ASSETS		
Cash and cash equivalents	\$ 602	\$ 935
Accounts and contributions receivable	250	217
Promissory notes receivable	89	94
Investments	5,100	4,496
Property, plant, and equipment, net	1,094	1,020
Prepaid expenses and other assets	82	79
Total assets	\$ 7,217	\$ 6,841
LIABILITIES		
Payables and accrued liabilities	\$ 240	\$ 230
Deferred revenue	51	49
Interest rate exchange agreements	28	55
Long-term debt and commercial paper	366	374
Securities sold short	240	353
Total liabilities	925	1,061
NET ASSETS		
Unrestricted net assets	3,312	3,070
Temporarily restricted net assets	1,584	1,385
Permanently restricted net assets	1,396	1,325
Total net assets	6,292	5,780
Total liabilities and net assets	\$ 7,217	\$ 6,841

Vanderbilt's assets increased \$376 million, or 6%, from fiscal 2017 to fiscal 2018. This increase is primarily attributable to a \$604 million, or 13%, increase in investment balances. The endowment, net of securities sold short, returned 12.6% and its value increased to \$4,608 million in fiscal 2018 from \$4,136 million in fiscal 2017 after the impact of distributions in support of operations and the addition of new gifts and unrestricted quasi-endowments.

Total liabilities decreased \$136 million, or 13%, from fiscal 2017 to fiscal 2018. This decrease is primarily attributable to a \$113 million decrease in the fair value of securities sold short and a \$27 million decrease in the fair value of interest rate exchange agreements due to the impact of terminated agreements and an increase in 30-year LIBOR.

Cash and Liquidity

Vanderbilt continues to invest operating assets in a conservative, diversified manner to ensure adequate security and liquidity under a variety of stress scenarios. Investments, along with cash and cash equivalents, provide liquidity support for Vanderbilt's operations. Of these combined amounts, based on prevailing market conditions as of June 30, 2018, \$496 million of liquid assets were available on a same-day basis and an additional \$1,293 million was available within 30

days. This strong liquidity position contributes to the university's ability to satisfy potential liquidity risks. Vanderbilt maintains the highest short-term ratings from the major credit rating agencies.

To provide supplemental liquidity support, Vanderbilt maintains a \$150 million general operating line of credit and a \$200 million revolving credit facility to provide dedicated self-liquidity support for the debt portfolio.

Debt

Vanderbilt's debt portfolio includes fixed-rate debt and commercial paper, as well as interest rate exchange agreements used for hedging interest rate exposure.

During fiscal 2018, Vanderbilt terminated \$50 million notional of fixed-payer interest rate exchange agreements in order to further reduce the university's aggregate collateral exposure and eliminate ongoing settlement costs. Over the past nine fiscal years, Vanderbilt terminated and novated a total of \$875 million notional of fixed-payer interest rate exchange agreements and incurred \$24 million of realized net amortization. As a result of these terminations, novations, and amortization, Vanderbilt reduced its fixed-payer portfolio notional balance to \$112 million at the end of fiscal 2018 as compared to \$1,011 million at the end of fiscal 2009.

Capital Expenditures

Maintaining the university's campus, which dates back to 1873, and investing in the university's capital assets are fundamental to achieving Vanderbilt's mission.

Over the past six years, Vanderbilt has focused increasingly on revitalizing the campus and student experience through the continued construction and revitalization of residential colleges in direct support of the academic strategic plan:

- Offering students a rich and diverse intellectual community that educates the whole person and cultivates lifelong learning;
- Investing in multidisciplinary and interdisciplinary programs to lead in defining and addressing important problems facing society, while pursuing new and exciting opportunities;
- Transforming education models through technology and research; and
- Building distinctive and distinguished programs that develop and offer effective solutions to pressing health and health care problems.

Additionally, these investments serve to support FutureVU, Vanderbilt's land use planning initiative, the goal of which is to ensure the Vanderbilt University campus is designed and prepared at every level to support its students, faculty, and staff in their work each day to uphold the university's values and further its mission.

Capital Projects

<i>(in millions)</i>	2018	2017
Housing projects	\$ 83	\$ 34
Academic projects	35	35
Minor capex	29	29
Infrastructure projects	6	32
Acquisitions	5	20
Athletics projects	3	9
Total capital assets	\$ 161	\$ 159

During fiscal 2018, Vanderbilt University invested \$161 million in capital projects and acquisitions. This enabled progress on several significant projects, including, but not limited to:

- Ongoing construction of new residential colleges, which will foster Vanderbilt's culture of collaboration and creativity;
- Ongoing construction of the School of Nursing addition, which will connect Frist and Godchaux halls and create space for additional laboratories, classrooms, offices, and meeting spaces;
- Divinity School renovation, which will provide improved teaching and gathering spaces and create a more collaborative environment;

ENDOWMENT

For fiscal 2018, Vanderbilt's endowment portfolio returned 12.6%. The endowment, net of securities sold short, ended fiscal 2018 with a total market value of \$4,608 million, compared to \$4,136 million at the end of fiscal 2017. The difference between the investment return and change in absolute value of the endowment was attributable to the net impact of new endowment gifts, additions to institutional endowments (quasi-endowments), investment returns, costs for managing the endowment, and the distribution of endowment funds to support university operations. During fiscal 2018, the university added \$173 million to the endowment portfolio through new gifts, recapitalizations, and additions to institutional endowments. Endowment distributions totaled \$207 million in fiscal 2018, compared to \$203 million in fiscal 2017. These distributions support the university's education, research, and public service missions.

The past year witnessed a strong capital market environment. Global equity markets gained 11%, with significant positive performance across U.S. large caps (up 14%), U.S. small caps (up 18%), non-U.S. developed markets (up 7%), and emerging markets (up 8%). U.S. bond markets were flat as U.S. Treasury yields climbed and credit spreads widened modestly. Commodity prices increased sharply (up 31%) and the value of the U.S. dollar on a trade-weighted basis fell during the first half of the fiscal year and subsequently recovered most of those losses during the second half.

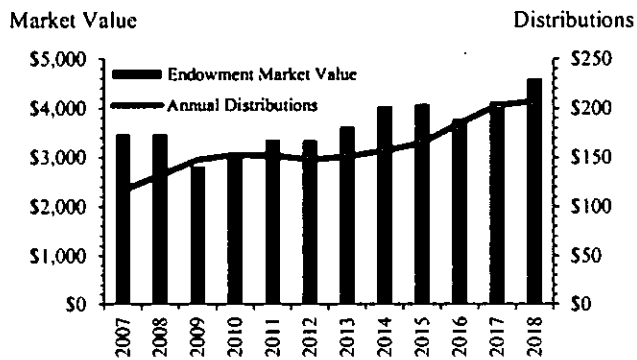
- Acquisition of properties immediately adjacent to Vanderbilt's campus;
- Completion of the implementation of a new cloud-based enterprise resource planning (ERP) system;
- Completion of enhancements to university baseball facilities, including renovation of the fieldhouse, installation of a new video board, and control room upgrades; and
- Completion of utility infrastructure upgrades needed to support increased demand created by new residential colleges.

As capital projects conclude or new acquisitions occur during the fiscal year, capital asset balances increase. A total of \$81 million of completed projects and purchased equipment came into service during fiscal 2018.

The Board of Trust Executive Committee reviews the university's five-year capital plan annually; however, major capital projects are approved individually. The FY2018 – FY2022 capital plan brings a continued focus on the academic strategic plan, including the student experience through new residential colleges.

Looking into the future, significant headwinds still lie ahead. U.S. equity valuations are high, European economies are slowly growing but are challenged by "Brexit" dynamics, and China is suffering from an overvalued property market plagued by excess capacity. Globally, markets are wrestling with government intervention, changing regulatory pressures, and uncertainty about trade wars, all of which represent risks to the global economic outlook. In addition, conversations about the extent to which the U.S. Federal Reserve will continue to normalize monetary policy and how high it will increase the Fed Funds rate could contribute to market volatility. That said, these challenges will, from time to time, present chances to be opportunistic in deploying new investments. Meanwhile, Vanderbilt is laying a strong foundation for the endowment by collaborating with some of the world's best investment managers across all asset classes.

Endowment Market Value and Annual Distributions
(in millions)



Endowment Asset Allocation
As of June 30, 2018 (% of portfolio)

	Allocation
Global equities	26%
Hedged strategies	20%
Commodities	3%
Fixed income	11%
Cash and cash equivalents	6%
Total public investments	66%
Private capital	25%
Real estate	2%
Natural resources	7%
Total nonmarketable	34%
Total endowment	100%

LOOKING FORWARD

Vanderbilt's fiscal 2018 results reflect the university's continued financial health stemming from our diverse revenue base, strong endowment returns, continued generosity of donors, and prudent expense management. We remain vigilant, however, and continue to confront proactively the economic challenges posed by constrained federal research funding, evolving tax legislation, and uncertain capital markets.

On December 20, 2017, Congress enacted and the president of the United States subsequently signed into law tax legislation commonly referred to as the Tax Cuts and Jobs Act. The TCJA imposes new taxes on the benefits nonprofits provide to their employees, alters donors' ability to deduct certain payments as charitable contributions, and levies multiple new taxes that could add burden to Vanderbilt's efforts to control the cost of education and fundamentally alter the historical partnership between higher education and the federal government.

Vanderbilt's audited financial statements and other key financial metrics for fiscal 2018 are included in the following pages.



Consolidated Financial Statements



Report of Independent Auditors

To the Board of Trust of
Vanderbilt University

We have audited the accompanying consolidated financial statements of Vanderbilt University and its subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the University's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Vanderbilt University and its subsidiaries as of June 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

October 11, 2018

PricewaterhouseCoopers LLP, 150 Third Avenue South, Suite 1400, Nashville, TN 37201
T: (615) 503 2860, F: (615) 503 2870, www.pwc.com/us

Vanderbilt University

Consolidated Statements of Financial Position

As of June 30, 2018 and 2017 (in thousands)

	2018	2017
ASSETS		
Cash and cash equivalents	\$ 602,652	\$ 935,446
Accounts receivable, net	159,903	146,931
Prepaid expenses and other assets	24,584	19,386
Contributions receivable, net	89,647	69,701
Promissory notes receivable	89,583	94,166
Student loans and other notes receivable, net	26,965	31,645
Investments	5,049,681	4,434,026
Investments allocable to noncontrolling interests	49,417	61,605
Property, plant, and equipment, net	1,093,621	1,019,893
Interests in trusts held by others	30,753	28,577
Total assets	\$ 7,216,806	\$ 6,841,376
LIABILITIES		
Accounts payable and accrued liabilities	\$ 95,384	\$ 84,201
Accrued compensation and withholdings	82,707	84,955
Deferred revenue	51,460	48,410
Actuarial liabilities	35,603	37,021
Government advances for student loans	25,601	24,411
Commercial paper	114,602	114,180
Long-term debt	251,222	260,030
Fair value of securities sold short	240,447	353,025
Fair value of interest rate exchange agreements	28,089	54,784
Total liabilities	925,115	1,061,017
NET ASSETS		
Unrestricted net assets controlled by Vanderbilt	3,261,624	3,008,116
Unrestricted net assets related to noncontrolling interests	49,417	61,605
Total unrestricted net assets	3,311,041	3,069,721
Temporarily restricted net assets	1,584,261	1,385,442
Permanently restricted net assets	1,396,389	1,325,196
Total net assets	6,291,691	5,780,359
Total liabilities and net assets	\$ 7,216,806	\$ 6,841,376

The accompanying notes are an integral part of the consolidated financial statements.

Vanderbilt University

Consolidated Statement of Activities

Year Ended June 30, 2018 (in thousands)

	2018			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUES				
Tuition and educational fees	\$ 538,470	\$ -	\$ -	\$ 538,470
Less student financial aid	(239,628)	-	-	(239,628)
Tuition and educational fees, net	298,842	-	-	298,842
Grants and contracts:				
Government sponsors	151,580	-	-	151,580
Private sponsors	22,298	-	-	22,298
Facilities and administrative costs recovery	56,868	-	-	56,868
Total grants and contracts	230,746	-	-	230,746
Contributions	22,486	5,886	55,226	83,598
Endowment distributions	98,857	107,376	609	206,842
Investment income	25,672	1,093	9,341	36,106
Room, board, and other auxiliary services, net	110,522	-	-	110,522
Trademark, license, and royalty revenue	125,427	-	-	125,427
Affiliated entity revenue	174,633	-	-	174,633
Other sources	99,552	-	-	99,552
Net assets released from restrictions	110,324	(110,324)	-	-
Total revenues and other support	1,297,061	4,031	65,176	1,366,268
EXPENSES				
Salaries, wages, and benefits	664,794	-	-	664,794
Supplies, services, and other	416,029	-	-	416,029
Interest expense	11,223	-	-	11,223
Depreciation	86,753	-	-	86,753
Grants to affiliate	24,526	-	-	24,526
Total expenses	1,203,325	-	-	1,203,325
Change in unrestricted net assets from operating activities	93,736			
OTHER CHANGES IN NET ASSETS				
Appreciation of endowment, net of distributions	104,830	194,815	-	299,645
Appreciation of other investments, net of distributions	29,736	-	-	29,736
Appreciation of interest rate exchange agreements, net	9,377	-	-	9,377
Contributions for capital improvements	195	21,624	-	21,819
Net assets released from restrictions for capital improvements	19,711	(19,711)	-	-
Nonoperating net asset reclassifications	(4,077)	(1,940)	6,017	-
Total other changes in net assets	159,772	194,788	6,017	360,577
Increase in net assets controlled by Vanderbilt	253,508	198,819	71,193	523,520
Decrease in net assets related to noncontrolling interests	(12,188)	-	-	(12,188)
Total increase in net assets	\$ 241,320	\$ 198,819	\$ 71,193	\$ 511,332
Net assets, June 30, 2017	\$ 3,069,721	\$ 1,385,442	\$ 1,325,196	\$ 5,780,359
Net assets, June 30, 2018	\$ 3,311,041	\$ 1,584,261	\$ 1,396,389	\$ 6,291,691

The accompanying notes are an integral part of the consolidated financial statements.

Vanderbilt University

Consolidated Statement of Activities

Year Ended June 30, 2017 (in thousands)

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUES				
Tuition and educational fees	\$ 513,103	\$ -	\$ -	\$ 513,103
Less student financial aid	(231,424)	-	-	(231,424)
Tuition and educational fees, net	281,679	-	-	281,679
Grants and contracts:				
Government sponsors	155,446	-	-	155,446
Private sponsors	24,345	-	-	24,345
Facilities and administrative costs recovery	57,489	-	-	57,489
Total grants and contracts	237,280	-	-	237,280
Contributions	26,719	5,898	32,664	65,281
Endowment distributions	96,060	106,365	772	203,197
Investment income	21,727	3,124	4,315	29,166
Room, board, and other auxiliary services, net	110,154	-	-	110,154
Trademark, license, and royalty revenue	113,165	-	-	113,165
Affiliated entity revenue	173,945	-	-	173,945
Other sources	97,643	-	-	97,643
Net assets released from restrictions	115,792	(115,792)	-	-
Total revenues and other support	1,274,164	(405)	37,751	1,311,510
EXPENSES				
Salaries, wages, and benefits	645,805	-	-	645,805
Supplies, services, and other	440,022	-	-	440,022
Interest expense	14,618	-	-	14,618
Depreciation	81,331	-	-	81,331
Grants to affiliate	22,396	-	-	22,396
Total expenses	1,204,172	-	-	1,204,172
Change in unrestricted net assets from operating activities	69,992			
OTHER CHANGES IN NET ASSETS				
Appreciation of endowment, net of distributions	52,950	159,235	-	212,185
Appreciation of other investments, net of distributions	23,539	-	-	23,539
Appreciation of interest rate exchange agreements, net	32,287	-	-	32,287
Contributions for capital improvements	312	26,461	-	26,773
Net assets released from restrictions for capital improvements	23,706	(23,706)	-	-
Nonoperating net asset reclassifications	(3,601)	(277)	3,878	-
Debt defeasance costs	(6,059)	-	-	(6,059)
Total other changes in net assets	123,134	161,713	3,878	288,725
Increase in net assets controlled by Vanderbilt	193,126	161,308	41,629	396,063
Decrease in net assets related to noncontrolling interests	(21,451)	-	-	(21,451)
Total increase in net assets	\$ 171,675	\$ 161,308	\$ 41,629	\$ 374,612
Net assets, June 30, 2016	\$ 2,898,046	\$ 1,224,134	\$ 1,283,567	\$ 5,405,747
Net assets, June 30, 2017	\$ 3,069,721	\$ 1,385,442	\$ 1,325,196	\$ 5,780,359

The accompanying notes are an integral part of the consolidated financial statements.

Vanderbilt University

Consolidated Statements of Cash Flows

Years Ended June 30, 2018 and 2017 (in thousands)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in total net assets	\$ 511,332	\$ 374,612
Adjustments to reconcile change in total net assets to net cash used in operating activities:		
Change in net assets related to noncontrolling interests	12,188	21,451
Realized and unrealized loss (gain) on investments, net	(595,550)	(480,431)
Contributions for capital improvements and endowment	(55,391)	(72,229)
Contributions of donated securities	(16,717)	(9,501)
Proceeds from sale of donated securities	1,309	1,373
Depreciation	86,753	81,331
Amortization of bond discounts and premiums	(556)	(925)
Payments to terminate interest rate exchange agreements	17,318	28,098
Loss from disposals of property, plant, and equipment	660	2,155
Net change in fair value of interest rate exchange agreements	(26,695)	(60,385)
Change in:		
Accounts receivable, net of accrued investment income	(13,055)	(17,884)
Prepaid expenses and other assets	(5,198)	1,428
Contributions receivable, net	(19,946)	20,568
Interests in trusts held by others	5,970	-
Accounts payable and accrued liabilities, net of nonoperating items	6,598	1,416
Accrued compensation and withholdings	(2,248)	4,911
Deferred revenue	3,050	208
Actuarial liabilities	(1,418)	(2,795)
Net cash used in operating activities	(91,596)	(106,599)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(7,939,736)	(8,301,403)
Proceeds from sales of investments	7,798,906	8,410,632
Purchases of investments allocable to noncontrolling interests	(660)	(820)
Proceeds from sales of investments allocable to noncontrolling interests	18,160	25,984
Change in accrued investment income	83	1,212
Payments to terminate interest rate exchange agreements	(17,318)	(28,098)
Acquisitions of property, plant, and equipment	(156,555)	(159,179)
Principal collected on promissory notes receivable	4,583	5,000
Student loans and other notes receivable disbursed	(2,019)	(3,801)
Principal collected on student loans and other notes receivable	6,699	6,485
Net cash used in investing activities	(287,857)	(43,988)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions for capital improvements and endowment	55,391	72,229
Change in government advances for student loans	1,190	989
Payments to retire or defease debt	(7,830)	(101,140)
Proceeds from issuance of debt	-	168,990
Repayment on line of credit	-	(1,000)
Proceeds from sale of donated securities restricted for capital improvements and endowment	15,408	8,128
Proceeds from noncontrolling interests in investment partnerships	660	820
Payments to noncontrolling interests in investment partnerships	(18,160)	(25,984)
Net cash provided by financing activities	46,659	123,032
Net decrease in cash and cash equivalents	(332,794)	(27,555)
Cash and cash equivalents at beginning of year	935,446	963,001
Cash and cash equivalents at end of year	\$ 602,652	\$ 935,446
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 14,185	\$ 15,164
Donated securities	16,717	9,501
Accrued liabilities related to additions of property, plant, and equipment	13,257	8,672

The accompanying notes are an integral part of the consolidated financial statements.

Vanderbilt University

Notes to the Consolidated Financial Statements

1. ORGANIZATION

The Vanderbilt University ("Vanderbilt" or the "university") is a private, coeducational, not-for-profit, nonsectarian institution located in Nashville, Tennessee. Founded in 1873, Vanderbilt owns and operates educational and research facilities as part of its mission to be a leading center for informed and creative teaching, scholarly research, and public service. Vanderbilt provides educational services to approximately 6,900 undergraduate and 5,700 graduate and professional students enrolled across its 10 schools and colleges.

The consolidated financial statements include the accounts of all entities in which Vanderbilt has a significant financial interest and over which Vanderbilt has control.

On April 29, 2016, Vanderbilt transferred clinical services operations, post-graduate training programs, and clinical department research activities, along with the related assets and liabilities, to Vanderbilt University Medical Center ("VUMC"), a newly incorporated Tennessee not-for-profit corporation, in exchange for consideration of \$1,230.0 million (the "Transaction"). The university retained the medical educational and academic activities and remains the degree-granting institution for the university's School of Medicine, School of Nursing, and clinical master's programs. The university retains control of all faculty appointments, graduate school Ph.D. programs in the biomedical sciences, and research in basic science departments and related centers. As a separate legal entity, VUMC is not under common governance with or controlled by the university. Vanderbilt is not financially responsible for VUMC indebtedness.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles ("GAAP"). Vanderbilt eliminates all material intercompany accounts and transactions in consolidation.

Net Asset Classifications

Based on the existence or absence of donor-imposed restrictions, Vanderbilt classifies resources into three categories: unrestricted, temporarily restricted, and permanently restricted net assets.

Unrestricted net assets are free of donor-imposed restrictions. This classification includes all revenues, gains, and losses not temporarily or permanently restricted by donors. Vanderbilt reports all expenditures in the unrestricted class of net assets, since the use of restricted contributions in accordance with donors' stipulations results in the release of the restriction.

Temporarily restricted net assets contain donor-imposed stipulations that expire with the passage of time or upon satisfaction by action of Vanderbilt. These net assets may include unconditional pledges, split-interest agreements, interests in trusts held by others, and accumulated appreciation on donor-restricted endowments not yet appropriated by the Board of Trust for distribution.

Permanently restricted net assets are amounts held in perpetuity as requested by donors. These net assets may include unconditional pledges, donor-restricted endowments (at historical value), split-interest agreements, and interests in trusts held by others. Generally, the donors of these assets permit Vanderbilt to use a portion of the income earned on related investments for specific purposes.

Vanderbilt reports expirations of temporary restrictions on net assets, (i.e., the passage of time and/or fulfilling donor-imposed stipulations), as net assets released from restrictions between the applicable classes of net assets in the consolidated statements of activities.

Cash and Cash Equivalents

Cash and cash equivalents are liquid assets with minimal interest rate risk and maturities of three months or less when purchased. Such assets, reported at fair value, primarily consist of depository account balances, money market funds, and short-term U.S. Treasury securities. Cash designated for investment is included within investments in the accompanying consolidated statements of financial position.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets primarily represent prepaid expenses and other segregated investment-related assets managed by third parties related to a legacy deferred compensation program that are earmarked to ultimately settle certain liabilities recorded in accrued payroll and withholdings. Vanderbilt excludes this latter group of assets, reported at fair value, from the investments category since it will not directly benefit from the investment return.

Promissory Note Receivable

In conjunction with the Transaction, VUMC issued to Vanderbilt a \$100 million promissory note (seller financing) paid over a 20-year period, \$5 million annually at 3.25% interest.

Fair Value Measurements

Fair value measurements represent the price received to sell an asset or price paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP provides a hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Inputs to the valuation techniques used are prioritized to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Vanderbilt gives consideration to certain investment funds that do not have readily determinable fair values including private investments, hedge funds, real estate, and other funds. Vanderbilt uses net asset value per share or its equivalent in estimating the fair value of interests in investment companies for which a readily determinable fair value is not available. Pursuant to ASU 2015-07, Vanderbilt reports these assets separately within the fair value hierarchy.

Investments

Vanderbilt reports investments at fair value using the three-level hierarchy established under GAAP. After review and evaluation, Vanderbilt utilizes estimates provided by fund managers for certain alternative investments, mainly investments in limited partnerships where a ready market for the investments does not exist.

Vanderbilt has exposure to a number of risks including liquidity, interest rate, counterparty, basis, tax, regulatory, market, and credit risks for both marketable and nonmarketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities will occur to an extent that could materially affect the amounts reported in Vanderbilt's financial statements.

Vanderbilt sometimes uses derivatives to manage investment market risks and exposure. The consolidated financial statements contain derivatives, which consist of both internally managed transactions and those entered into through external investment managers, at fair value. The most common instruments utilized are futures contracts and hedges against currency risk for investments denominated in currencies other than U.S. dollars. For internally managed transactions, Vanderbilt utilizes futures contracts with durations of less than three months.

Vanderbilt records purchases and sales of securities on the trade dates, and realized gains and losses are determined based on the average historical cost of the securities sold. Vanderbilt reports net receivables and payables arising from unsettled trades as a component of investments.

Unless donor-restricted endowment gift agreements require separate investment, Vanderbilt manages all endowment investments as an investment pool.

Investments Allocable to Noncontrolling Interests and Net Assets Related to Noncontrolling Interests

Vanderbilt reports the respective assets for entities in which other organizations are minority equity participants at fair value as investments allocable to noncontrolling interests on the consolidated statements of financial position.

The balance representing such organizations' minority or noncontrolling interests is recorded based on contractual provisions, which represent an estimate of a settlement value assuming the entity was liquidated in an orderly fashion as of the report date.

Split-Interest Agreements and Interests in Trusts Held by Others
Vanderbilt's split-interest agreements with donors consist primarily of irrevocable charitable remainder trusts, charitable gift annuities, and life income funds for which Vanderbilt serves as trustee. Vanderbilt reports assets held in these trusts in investments at fair value. Vanderbilt recognizes contribution revenue at the dates the trusts are established, net of the liabilities for the present value of the estimated future payments to the donors and/or other beneficiaries. Annually, Vanderbilt records the change in fair value of split-interest agreements based on the assets that are associated with each trust and recalculates the liability for the present value of the estimated future payments to the donors and/or other beneficiaries.

Vanderbilt is also the beneficiary of certain trusts held and administered by others. Vanderbilt records its share of these trust assets at fair value as interests in trusts held by others with any resulting gains or losses reported as investment income.

Property, Plant, and Equipment

Purchased property, plant, and equipment, recorded at cost, includes, where appropriate, capitalized interest on construction financing.

Vanderbilt capitalizes donated assets at fair value on the date of donation, expenses repairs and maintenance costs as incurred, and expenses additions to the library collection at the time of purchase.

Vanderbilt calculates depreciation using the straight-line method to allocate the cost of various classes of assets over their estimated useful lives. Vanderbilt follows the half-year convention to calculate depreciation associated with construction-related assets (e.g., land improvements, buildings, leasehold improvements, and fixed equipment). Under the half-year convention, Vanderbilt treats fixed assets constructed during the year as if placed in service on January 1, regardless of in-service date. All other purchased assets (e.g., moveable equipment) begin depreciation on the in-service date. Vanderbilt removes property, plant, and equipment from the accounting records upon disposal.

Conditional asset retirement obligations related to legal requirements to perform certain future activities associated with the retirement, disposal, or abandonment of assets are accrued utilizing site-specific surveys to estimate the net present value for applicable future costs (e.g., asbestos abatement or removal).

Vanderbilt reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Vanderbilt recognizes an impairment charge when the fair value of the asset or group of assets is less than the carrying value.

Debt Portfolio Financial Instruments

Vanderbilt reports long-term debt at carrying value. The carrying value of Vanderbilt's debt is the par amount adjusted for the net unamortized amount of bond premiums and/or discounts. Vanderbilt utilizes interest rate exchange agreements as part of its debt portfolio management strategy. The consolidated statements of activities include any gain or loss resulting from recording the fair value of derivative financial instruments as a nonoperating item.

Parties to interest rate exchange agreements are subject to risk for changes in interest rates as well as risk of credit loss in the event of nonperformance by the counterparty. Vanderbilt deals only with high-quality counterparties that meet rating criteria for financial stability and credit worthiness. Additionally, the agreements require the posting of collateral when amounts subject to credit risk under the contracts exceed specified levels.

Revenue Recognition

Vanderbilt's revenue recognition policies are:

Tuition and educational fees, net—Vanderbilt recognizes student tuition and educational fees as revenues in the year the related academic services occur and defers amounts received in advance of services rendered. Vanderbilt reflects financial aid provided for tuition and educational fees as a reduction of the respective revenues. Financial aid does not include payments made to students for services provided to Vanderbilt or financial aid applied to undergraduate room and board.

Grants and contracts—Vanderbilt recognizes revenues from grants and contracts when the university incurs allowable expenditures in accordance with such agreements.

Facilities and administrative (F&A) costs recovery—Vanderbilt recognizes F&A costs recovery as revenue. This activity represents reimbursement, primarily from the federal government, of F&A costs on sponsored activities. Vanderbilt's federal F&A cost recovery rate for on-campus research was 57.0% in both fiscal

2018 and 2017. Vanderbilt's federal F&A off-campus research adjacent and remote cost recovery rates were 28.5% and 26.0%, respectively, in both fiscal 2018 and 2017.

Endowment distributions—Endowment distributions reported as operating revenue consist of endowment return (regardless of when such income arose) distributed to support operational needs in the current period. Vanderbilt's Board of Trust approves the distribution amount from the endowment pool on an annual basis, determined by applying a spending rate to an average of the previous three calendar year-end market values. The primary objective of the endowment distribution methodology is to reduce the impact of capital market fluctuations on operational programs.

Investment income—Investment income consists of distributions associated with working capital assets invested in long-term pooled investments managed in conjunction with endowment funds and dividends, interest, and gains/losses on other university investments. Vanderbilt reports any difference between total returns for pooled working capital assets and the aforementioned distributions as nonoperating activity.

Trademark, license, and royalty revenue—The Trademark License Agreement ("TML") between Vanderbilt and VUMC comprises the majority of trademark, license, and royalty revenue. Vanderbilt recognizes trademark, license, and royalty revenues in accordance with the terms of the underlying agreements.

Affiliated entity revenue—Affiliated entity revenue represents amounts received from VUMC to support and ensure sustainability of the upstream research pipeline and other academic initiatives and to compensate Vanderbilt for the provision of operating and capital infrastructure services to VUMC, primarily in campus infrastructure, campus safety and security, and various support functions. Vanderbilt recognizes affiliated entity revenues as the related services are provided in accordance with the terms of the underlying agreements.

Other revenue—Vanderbilt recognizes revenue from other sources as the related services are provided and/or amounts are otherwise earned in accordance with the terms of the underlying agreements.

Contributions

Vanderbilt recognizes unconditional promises to give (pledges) as contribution revenue upon receipt of a commitment from the donor, with payments due in future periods reported as increases in temporarily restricted or permanently restricted net assets at the estimated present value of future cash flows. Vanderbilt recognizes pledges net of an allowance for amounts estimated to be uncollectible based upon past collection experience and other judgmental factors.

Vanderbilt records contributions with donor-imposed restrictions as unrestricted revenue if the university receives the contribution and meets the restrictions in the same reporting period. Otherwise, Vanderbilt records contributions with donor-imposed restrictions as increases in temporarily restricted or permanently restricted net assets, depending on the nature of the restriction.

After meeting donor stipulations, Vanderbilt releases contributions from restrictions and recognizes these contributions as unrestricted net assets. Vanderbilt releases from restrictions contributions for capital improvements and recognizes these contributions as nonoperating items only after incurring expenses for the applicable capital improvement or when the related asset is placed in service based on donor intent.

In contrast to unconditional promises, Vanderbilt does not record conditional promises (primarily bequest intentions) until the university meets donor stipulations.

Measure of Operations

The university's measure of operations, the change in unrestricted net assets from operating activity, as presented in the consolidated statement of activities includes revenue from tuition and fees (net of financial aid), grants and contracts, trademark revenue, revenue from affiliates, contributions for operating programs, endowment distributions in support of operations, and other revenues. Vanderbilt reports operating expenses on the consolidated statement of activities by natural classification.

The university's nonoperating activity within the consolidated statement of activities includes endowment and other investment returns, changes in the fair value of derivative financial instruments, contributions for capital improvements, and other nonrecurring items.

Income Taxes

Vanderbilt is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code ("the Code"), and generally is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Vanderbilt is, however, subject to federal and state income tax on unrelated business income, and provision for such taxes is included in the accompanying consolidated financial statements. Vanderbilt regularly evaluates its tax position and does not believe it has any material uncertain tax positions that require disclosure or adjustment to the consolidated financial statements.

Use of Estimates

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period as well as the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Reclassifications

Vanderbilt's financial statements reflect a reclassification between unrestricted and temporarily restricted appreciation of endowment, net of distributions in fiscal 2017. To align with current year presentation, Vanderbilt also reclassified \$52 million of fiscal 2017 Athletics ticket, tournament, and television revenue from room, board, and auxiliary to other revenue.

Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers. ASU 2014-09, along with subsequent amendments, supersedes most existing revenue recognition guidance and outlines a single comprehensive standard for revenue recognition across all industries. In addition, ASU 2014-09 requires expanded quantitative and qualitative disclosures, including disclosure about the nature, amount, timing, and uncertainty of revenue. ASU 2014-09 will become effective for annual reporting periods beginning after December 15, 2017. Vanderbilt will adopt the provisions of ASU 2014-09 in fiscal 2019 and expects the primary impact upon adoption to be in the form of additional financial statement disclosures.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities. ASU 2016-01 affects all entities that hold financial assets or owe financial liabilities and primarily affects the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. The standard is effective for entities that are not considered public business entities for annual periods beginning after December 15, 2018. Vanderbilt early adopted the provisions of

ASU 2016-01 eliminating the fair value disclosures for financial instruments not recognized at fair value for fiscal 2016. Vanderbilt plans to adopt the remaining provisions of ASU 2016-01 by fiscal 2020.

In February 2016, the FASB issued ASU 2016-02, Leases. ASU 2016-02 requires recognition of rights and obligations arising from lease contracts, including existing and new arrangements, as assets and liabilities on the balance sheet. ASU 2016-02 is effective for annual reporting periods beginning after December 15, 2018. Vanderbilt's adoption of the new standard in fiscal 2020 will require extensive quantitative and qualitative financial statement disclosures regarding the university's lease arrangements and balance sheet presentation of right of use assets and lease liabilities representative of the university's discounted future lease payments. Vanderbilt continues to assess the impact of adoption with respect to the university's policies and procedures.

In August 2016, the FASB issued ASU 2016-14, Presentation of Financial Statements for Not-for-Profit Entities, which revises the not-for-profit reporting model. ASU 2016-14 provides for additional disclosure requirements and modifies net asset reporting. The new standard requires enhanced disclosures regarding the nature and amount of net asset restrictions (both donor-imposed and board-designated) and requires the university to reclassify its net assets previously reported as unrestricted, temporarily restricted, and permanently restricted into two categories: net assets without donor imposed restrictions and net assets with donor imposed restrictions. Among other requirements, ASU 2016-14 also requires disclosure of quantitative information regarding the availability of an entity's financial assets and qualitative information regarding its liquidity management strategy. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017. Vanderbilt's adoption of the new standard in fiscal 2019 will require financial statement reclassification of net assets by restriction category and expanded disclosures including, but not limited to, liquidity and expense information by functional and natural classification.

In January 2017, the FASB issued ASU 2017-02, Clarifying When a Not-for-Profit Entity that Is a General Partner or a Limited Partner Should Consolidate a For-Profit Limited Partnership or Similar Entity, which amends the consolidation guidance for not-for-profit entities in ASC 958-810. This ASU clarifies the model used by not-for-profit entities to evaluate investments in limited partnerships. This ASU retains the presumption (previously eliminated by ASU 2015-02) that a not-for-profit entity that is a general partner of a for-profit limited partnership or similar entity controls the limited partnership, unless that presumption can be overcome. Not-for-profit investors in a limited partnership or a similar entity will continue to apply a presumption that the general partner has control and should consolidate the investments unless substantive kick-out or participating rights held by any limited partners overcome that presumption. Vanderbilt will adopt ASU 2017-02 in fiscal 2019. Vanderbilt does not expect ASU 2017-02 to affect the consolidated financial statements and related disclosures.

In August 2018, the FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 will result in treatment of most federal grants as donor-restricted conditional contributions rather than exchange transactions and applies to all entities that make or receive contributions. The new standard also clarifies the criteria for evaluating whether contributions are unconditional or conditional. Vanderbilt does not expect the timing of grant or gift revenue recognition to change significantly as a result of this ASU. Vanderbilt will implement ASU 2018-08 simultaneous with adoption of ASU 2014-09 in fiscal 2019.

In August 2018, the FASB issued ASU 2018-13, Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement. ASU 2018-13 modifies and eliminates certain existing provisions and introduces new fair value measurement disclosure requirements. ASU 2018-13 is effective for fiscal periods beginning after December 15, 2019 with early adoption permitted. Vanderbilt is currently evaluating the effect of adoption to the financial statements.

3. ACCOUNTS RECEIVABLE

The major components of accounts receivable as of June 30 were as follows (*in thousands*):

	2018	2017
Receivable on secondary sale	\$ 71,473	\$ 71,473
Research and sponsored programs	46,069	34,925
VUMC related agreements	24,479	27,978
Tuition and fees	8,134	5,166
Accrued investment income	1,189	1,272
Other	9,921	7,854
Accounts receivable	161,265	148,668
Less: Allowance for uncollectible amounts	(1,362)	(1,737)
Accounts receivable, net	\$ 159,903	\$ 146,931

Vanderbilt records allowances for uncollectible amounts based on management's assessment of expected net collections considering historical trends and current economic factors.

Vanderbilt's accounts receivable balance at June 30, 2018, includes \$71.5 million related to secondary sales of investments in general

partnerships, \$46.1 million related to research and sponsored programs, and \$24.5 million related to agreements with VUMC. These receivables account for 89% of total net receivables at June 30, 2018.

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable as of June 30 were as follows (in thousands):

	2018	2017
Unconditional promises expected to be collected:		
in one year or less	\$ 37,397	\$ 32,331
between one year and five years	60,525	44,308
in more than five years	8,758	4,300
Contributions receivable	106,680	80,939
Less: Discount	(6,347)	(2,626)
Less: Allowance for uncollectible promises	(10,686)	(8,612)
Contributions receivable, net	\$ 89,647	\$ 69,701

Vanderbilt discounts contributions receivable at a rate commensurate with the scheduled timing of receipt. Vanderbilt applied discount rates ranging from 1.0% to 3.0% to amounts outstanding as of June 30, 2018 and 2017, respectively. Vanderbilt's methodology for calculating the allowance for uncollectible promises consists of analyzing write-offs as a percentage of gross pledges receivable along with assessing the age and activity of outstanding pledges.

In addition to pledges reported as contributions receivable, Vanderbilt had cumulative bequest intentions and conditional promises to give of approximately \$342.6 million and \$301.2 million as of June 30, 2018 and 2017, respectively. Due to their conditional nature, Vanderbilt does not recognize these intentions to give as assets.

Contributions receivable, net as of June 30, were as follows (in thousands):

	2018	2017
Temporarily restricted	\$ 33,480	\$ 27,360
Permanently restricted	56,167	42,341
Contributions receivable, net	\$ 89,647	\$ 69,701

5. STUDENT LOANS AND OTHER NOTES RECEIVABLE

Student loans and other notes receivable as of June 30 were as follows (in thousands):

	2018			2017		
	Receivable	Allowance	Net	Receivable	Allowance	Net
Student loans:						
Federal	\$ 22,228	\$ (2,045)	\$ 20,183	\$ 24,465	\$ (2,140)	\$ 22,325
Institutional	6,098	(830)	5,268	8,264	(1,278)	6,986
Total student loans	28,326	(2,875)	25,451	32,729	(3,418)	29,311
Faculty mortgages	1,514	-	1,514	2,334	-	2,334
Student loans, other notes receivable, and related allowances	\$ 29,840	\$ (2,875)	\$ 26,965	\$ 35,063	\$ (3,418)	\$ 31,645

Vanderbilt remains committed to "no loans" for its undergraduate students, meaning that the university is meeting full-demonstrated financial need with scholarship and grant assistance. For other groups (e.g., professional school students), participation in several federal revolving loan programs, including the Perkins, Nursing, and Health Professionals Student Loan programs, has continued.

Vanderbilt carries loans to students at cost, which, based on secondary market information, approximates the fair value of education loans with similar interest rates and payment terms. The availability of funds for new loans under these programs is dependent on reimbursements to the pool from repayments on outstanding loans.

Vanderbilt assigns loans receivable from students under governmental loan programs, also carried at cost, to the federal government or its designees. Vanderbilt classifies refundable advances from the federal government as liabilities in the consolidated statements of finan-

cial position. Outstanding loans cancelled under a governmental program result in a reduction of the funds available for loan and a decrease in the university's liability to the government.

Vanderbilt establishes bad debt allowances based on prior collection experience and current economic factors, which, in management's judgment, could influence the ability of loan recipients to repay amounts due. When deemed uncollectible, Vanderbilt writes off institutional loan balances.

In an effort to attract and retain a world-class faculty, Vanderbilt provides various incentives and historically provided home mortgage financing assistance in select situations. Deeds of trust on properties concentrated in the surrounding region collateralize these notes. Vanderbilt has not recorded an allowance for doubtful accounts for loans based on their collateralization and prior collection history.

6. INVESTMENTS

Investments consist of the following as of June 30 (in thousands):

	2018	2017
Short-term securities ¹	\$ 12,088	\$ 137
Global equities ¹	1,349,140	1,128,688
Fixed income ⁵	538,364	348,966
Hedged strategies ⁶	1,109,053	1,260,019
Private capital ³	1,443,106	1,151,000
Real estate ³	156,132	168,377
Natural resources ³	298,267	261,431
Commodities ²	151,771	133,644
Trusts ⁴	34,577	37,216
Other investments ⁴	6,600	6,153
Total value ⁷	\$ 5,099,098	\$ 4,495,631
Total cost	\$ 3,846,298	\$ 3,400,587

¹ Quoted prices in active markets determine fair value or fund managers provide the net asset value per share of the specific investment to establish fair value.

² Quoted prices in active markets determine fair value.

³ Fund managers provide the net asset value of Vanderbilt's ownership interests at the fund level to establish fair value.

⁴ Carrying value provides a reasonable estimate of fair value for certain components.

⁵ Quoted prices in active markets determine fair value or fund managers provide the net asset value per share of the specific investment to establish fair value.

⁶ Quoted prices in active markets determine fair value or fund managers provide the net asset value per share of the specific investment to establish fair value. Includes \$227 million and \$435 million of cash and cash equivalents classified as investments in fiscal 2018 and 2017, respectively.

⁷ Net of securities sold short of \$240 million and \$353 million, total value of investments is \$4,859 million and \$4,143 million in fiscal 2018 and 2017, respectively.

Included in the amounts above are investments allocable to noncontrolling interests (i.e., minority limited partners) reported at fair value. Changes in noncontrolling interests net assets for the fiscal year ended June 30, 2018, were as follows:

Fair value as of June 30, 2017	\$ 61,605
Distributions to minority limited partners	(18,160)
Capital commitments funded by minority limited partners	660
Appreciation allocable to minority limited partners	5,312
Fair value as of June 30, 2018	\$ 49,417

Short-term securities primarily comprise short-term U.S. Treasury bills.

Global equities consist of investment funds globally diversified across public markets including U.S. markets, other developed markets, and emerging and frontier markets. Fund managers of these investments have the ability to shift investments from value to growth strategies, from small to large capitalization stocks, and from a net long position to a net short position.

Fixed income includes investments directed towards capital preservation and predictable yield as well as more opportunistic strategies focused on generating return on price appreciation. These investments are primarily public investments such as U.S. Treasuries and other government obligations, investment-grade corporate bonds, high-yield corporate bonds, bank debt, commercial mortgage-backed securities, residential non-agency mortgage-backed securities, asset-backed securities, direct lending, and below investment-grade developed and emerging market sovereign debt. Vanderbilt may make investments through commingled vehicles, separately managed accounts, synthetic transactions, and limited partnership interests.

Hedged strategies investments reflect multiple strategies such as event driven, relative value, and equity funds to diversify risks and reduce volatility in the portfolio generally in hedge fund structures. These strategies also include investments in both long and short primarily credit-oriented securities. Investments may include mortgage-backed securities, trade finance, debt and asset-backed

securities, repurchase agreements, senior loans, bank loans, and cash designated for investment. The fair value of open short positions is recorded as a liability and the university records an unrealized gain or loss to the extent of the difference between the proceeds received and the value of the open short position. By entering into short sales, the university bears the market risk of increases in the value of the security sold short in excess of the proceeds received. Possible losses from short sales differ from losses that could be incurred from purchases of securities because losses from short sales may be unlimited whereas losses from purchases cannot exceed the total amount invested.

Private capital consists of illiquid investments in buyouts, distressed debt, mezzanine debt, growth equity, and venture capital. Vanderbilt may make investments through commingled vehicles, separately managed accounts, synthetic transactions, limited partnership interests, and direct investments.

Real estate comprises illiquid investments in residential and commercial real estate assets, projects, publicly traded REITs or land held directly through separately managed accounts, limited partnership interests, and direct investments in properties. The nature of the investments in this category is such that distributions generally reflect liquidation of the underlying assets of the funds.

Natural resources include illiquid investments in timber, oil and gas production, mining, energy, and related services businesses held directly or in commingled limited partnership funds.

Commodities include public investments such as commodity futures, commodity-related equities, and private investments in energy, power, infrastructure, and timber. Investments may be made through commingled vehicles, separately managed accounts, synthetic transactions, limited partnership interests, and direct investments.

Trusts are Vanderbilt's split-interest agreements with donors, including charitable gift annuities, life income funds, and other non-endowed trusts.

7. INVESTMENT RETURN

A summary of investment return, including endowment distributions, by net asset category for the fiscal years ended June 30 follows (in thousands):

	2018	2017
OPERATING		
<i>Unrestricted:</i>		
Endowment distributions	\$ 98,857	\$ 96,060
Investment income	25,672	21,727
Total operating return	124,529	117,787
NONOPERATING		
<i>Unrestricted:</i>		
Appreciation of institutional endowments, net of distributions	104,830	52,950
Appreciation of other investments	29,736	23,539
<i>Temporarily restricted:</i>		
Endowment distributions	107,376	106,365
Investment income	1,093	3,124
Appreciation of donor-restricted endowments, net of distributions	194,815	159,235
<i>Permanently restricted:</i>		
Endowment distributions	609	772
Investment income	9,341	4,315
Total nonoperating return	447,800	350,300
Total investment return	\$ 572,329	\$ 468,087

The components of total investment return for the fiscal years ended June 30 were as follows (in thousands):

	2018	2017
Interest, dividends, and partnership losses, net of fees	\$ (23,221)	\$ (12,344)
Net realized gains	304,415	278,369
Change in unrealized appreciation	291,135	202,062
Total investment return	\$ 572,329	\$ 468,087

In addition to a core group of investment professionals dedicated to the management of Vanderbilt's endowment, Vanderbilt employs external investment managers. Particularly for alternative investments such as hedge funds, investment manager fee structures frequently have a base component along with a performance component relative to the entire life of the investments. Under these arrangements, management fees frequently are subject to substantial adjustments based on cumulative future returns for a number of years hence.

Vanderbilt reports investment returns net of returns attributed to limited partners on investments allocable to noncontrolling interests.

Vanderbilt incurred internal investment management costs of \$11.6 million in fiscal 2018 and \$12.3 million in fiscal 2017. Fees paid directly to external investment managers (i.e., segregated investment account fees) totaled \$31.0 million and \$28.4 million in fiscal 2018 and 2017, respectively. Vanderbilt reports investment returns net of external manager fees.

8. ENDOWMENT

Endowment-related assets include donor-restricted endowments and institutional endowments (quasi-endowments). Vanderbilt's endowment does not include gift annuities, interests in trusts held by others, contributions pending donor designation, or contributions receivable.

The Board of Trust's interpretation of its fiduciary responsibilities for donor-restricted endowments under the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") requirements, barring the existence of any donor-specific provisions, is to preserve intergenerational equity. Under this broad guideline, future endowment beneficiaries should receive at least the same level of real economic support as the current generation. The overarching objective is to preserve and enhance the real (inflation-adjusted) purchasing power of

the endowment in perpetuity. Vanderbilt invests assets to provide a relatively predictable and stable stream of earnings to meet spending needs and attain long-term return objectives without the assumption of undue risks.

UPMIFA specifies that unless stated otherwise in a gift instrument, donor-restricted assets in an endowment fund are restricted assets until appropriated for expenditure. Barring the existence of specific instructions in gift agreements for donor-restricted endowments, Vanderbilt reports the historical value for such endowments as permanently restricted net assets and the net accumulated appreciation, including recapitalizations, as temporarily restricted net assets. In this

context, historical value represents the original value of initial contributions restricted as permanent endowments plus the original value of subsequent contributions and, if applicable, the value of accumulations made in accordance with the direction of specific donor gift agreements.

Specific appropriation for expenditure of Vanderbilt's endowment funds occurs each spring when the Board of Trust approves the university's operating budget for the ensuing fiscal year. For fiscal years 2018 and 2017, Vanderbilt's Board of Trust approved endowment distributions based on 5.0% of the average of the previous three calendar year-end market values. Vanderbilt reinvests actual realized

endowment return earned in excess of distributions. For years when the endowment return is less than the distribution, the endowment pool's cumulative returns from prior years cover the shortfall.

Vanderbilt may not fully expend Board-appropriated endowment distributions in a particular fiscal year. In some cases, Vanderbilt will approve endowment distributions for reinvestment into the endowment.

The table below summarizes Vanderbilt's endowment for the fiscal years ended June 30 (*in thousands*):

2018	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowments	\$ (522)	\$ 1,418,533	\$ 1,280,893	\$ 2,698,904
Reinvested distributions of donor-restricted endowments	130,170	80,706	-	210,876
Institutional endowments	1,698,681	-	-	1,698,681
Endowment net assets as of June 30, 2018	\$ 1,828,329	\$ 1,499,239	\$ 1,280,893	\$ 4,608,461

2017	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowments	\$ (4,024)	\$ 1,244,275	\$ 1,233,575	\$ 2,473,826
Reinvested distributions of donor-restricted endowments	139,134	52,249	-	191,383
Institutional endowments	1,471,256	-	-	1,471,256
Endowment net assets as of June 30, 2017	\$ 1,606,366	\$ 1,296,524	\$ 1,233,575	\$ 4,136,465

Currently, the endowment portfolio consists of three primary components designed to serve a specific role in establishing the right balance between risk and return. These three components are global, public, and private equity investments. Vanderbilt expects these three components, including private capital and many hedge funds, to produce favorable returns in environments of accelerated growth and economic expansion. Vanderbilt expects hedged strategies and fixed income investments to generate stable returns and preserve capital during periods of poor equity performance. Vanderbilt uses real estate and natural resources allocations to provide an inflation hedge.

From time to time, the fair value of assets associated with an endowed fund may fall below the level that a donor or UPMIFA requires in terms of maintenance of perpetual duration endowments. As of June 30, 2018 and 2017, Vanderbilt had deficiencies of this nature of approximately \$0.5 million consisting of 28 endowments and \$4.0 million consisting of 158 endowments, respectively. These deficiencies resulted from unfavorable market declines that occurred after the investment of recent permanently restricted contributions. Vanderbilt believes these declines are modest in relation to the total market value for donor-restricted endowments and that these deficiencies will be relatively short-term in nature.

Changes in endowment net assets for the fiscal years ended June 30 were as follows (*in thousands*):

2018	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets as of June 30, 2017	\$ 1,606,366	\$ 1,296,524	\$ 1,233,575	\$ 4,136,465
Endowment investment return:				
Investment loss, net of fees	(4,422)	(7,184)	-	(11,606)
Net appreciation (realized and unrealized)	202,272	328,554	-	530,826
Total endowment investment return	197,850	321,370	-	519,220
Gifts and additions to endowment, net	108,554	16,792	47,318	172,664
Endowment distributions	(79,470)	(127,372)	-	(206,842)
Transfers for internal management costs	(4,433)	(7,201)	-	(11,634)
Other	(538)	(874)	-	(1,412)
Endowment net assets as of June 30, 2018	\$ 1,828,329	\$ 1,499,239	\$ 1,280,893	\$ 4,608,461

2017	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets as of June 30, 2016	\$ 1,486,453	\$ 1,130,727	\$ 1,178,406	\$ 3,795,586
Endowment investment return:				
Investment loss, net of fees	(8,608)	(15,189)	-	(23,797)
Net appreciation (realized and unrealized)	156,240	296,234	-	452,474
Total endowment investment return	147,632	281,045	-	428,677
Gifts and additions to endowment, net	61,250	12,721	55,169	129,140
Endowment distributions	(83,999)	(119,198)	-	(203,197)
Transfers for internal management costs	(4,449)	(7,851)	-	(12,300)
Other	(521)	(920)	-	(1,441)
Endowment net assets as of June 30, 2017	\$ 1,606,366	\$ 1,296,524	\$ 1,233,575	\$ 4,136,465

9. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment as of June 30 were as follows (*in thousands*):

	2018	2017
Land	\$ 105,041	\$ 98,554
Buildings and improvements	1,588,094	1,555,888
Moveable equipment	335,463	295,981
Construction in progress	167,229	87,530
Property, plant, and equipment	2,195,827	2,037,953
Less: Accumulated depreciation	(1,102,206)	(1,018,060)
Property, plant, and equipment, net	\$ 1,093,621	\$ 1,019,893

Buildings and improvements include \$15.3 million of leasehold improvements as of fiscal 2018 and 2017. Vanderbilt reports property, plant, and equipment at cost or, if a gift, at fair value as of the date of the gift, net of accumulated depreciation. Vanderbilt computes depreciation using the straight-line method over the estimated useful lives of the assets: 10 to 50 years for buildings, building improvements, and land improvements, the shorter of the asset life or life of the lease including renewal options for leasehold improvements, and 3 to 25 years for machinery and equipment.

Purchases for the library collection are not included in the amounts above as Vanderbilt expenses such items at the time of purchase. As of June 30, 2018, the estimated replacement cost for library collections, including processing costs to properly identify, catalog, and shelve materials, totaled \$419.6 million.

Vanderbilt reported capitalized interest of \$1.5 million and \$0.3 million to construction in progress and/or buildings and improvements in the years ended June 30, 2018 and 2017.

Vanderbilt reviews property, plant, and equipment for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The university recognizes an impairment loss if the carrying amount of a long-lived asset exceeds its fair value and is not recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Vanderbilt did not recognize any impairment losses in fiscal 2018 or 2017.

Vanderbilt identified conditional asset retirement obligations, primarily for the costs of asbestos removal and disposal, resulting in liabilities of \$3.2 million as of June 30, 2018 and 2017. These liability estimates, included in accounts payable and accrued liabilities in the consolidated statements of financial position, use an inflation rate of 4.0% and a discount rate of 5.0% based on relevant factors at origination.

10. LONG-TERM DEBT AND COMMERCIAL PAPER

Long-term debt consists of bonds and notes payable with scheduled final maturity dates at least one year after the original issuance date.

Outstanding long-term debt and commercial paper ("CP") obligations reflected in the financial statements at carrying value as of June 30 were as follows (*in thousands*):

	Fiscal Year of Maturity	Fixed Coupon Interest Rates as of June 30, 2018	Fiscal 2018 Effective Interest Rate ¹	Outstanding Principal 2018	Outstanding Principal 2017
FIXED-RATE DEBT					
Series 2009A - Tax-exempt	2020	4.00%	4.2%	\$ 4,720	\$ 7,080
Series 2012D - Tax-exempt	2038	3.00%-5.00%	3.1%	106,230	106,230
Series 2016 - Taxable	2047	1.07%-3.44%	2.9%	133,520	138,990
Fixed-rate debt			3.0%	244,470	252,300
Par amount of long-term debt			3.0%	244,470	252,300
Net unamortized premium			-	7,932	8,965
Cost of issuance			-	(1,180)	(1,235)
Total long-term debt			3.0%	251,222	260,030
Taxable commercial paper	<1		1.6%	114,602	114,180
Total commercial paper			1.6%	114,602	114,180
Total long-term debt and commercial paper			2.6%	\$ 365,824	\$ 374,210

¹ Exclusive of interest rate exchange agreements. Inclusive of these agreements, the overall portfolio effective interest rate was 3.5%.

All debt instruments are general obligations of Vanderbilt. Vanderbilt did not pledge any of its assets as collateral for this debt.

The components of interest for total long-term debt, CP, and interest rate exchange agreements follow (*in thousands*):

	2018	2017
Payments for interest costs	\$ 14,185	\$ 15,164
Accrued interest expense	\$ 11,223	\$ 14,618

Payments for interest costs occur on varying scheduled payment dates for debt, maturity dates for CP, and settlement dates for interest rate exchange agreements. Vanderbilt calculates accrued interest expense for its debt, CP, and interest rate exchange agreements based on applicable interest rates for the respective fiscal year. Accrued interest expense of \$11.2 million and \$14.6 million in fiscal 2018 and 2017, respectively, is net of capitalized interest of \$1.5 million and \$0.3 million, respectively.

Principal retirements and scheduled sinking fund requirements based on nominal maturity schedules for long-term debt, excluding CP, due in subsequent fiscal years are as follows (*in thousands*):

2019	\$ 7,980
2020	8,140
2021	7,075
2022	7,285
2023	7,535
Thereafter	206,455
Total long-term debt principal retirements	\$ 244,470

Retirements in earlier years in the preceding table could be greater if Vanderbilt must purchase either a portion or all of its CP in the event of failed remarketings on scheduled maturity dates.

On November 9, 2016, Vanderbilt issued the Series 2016 taxable bonds in the par amount of \$139.0 million. The Series 2016 bond proceeds provided \$75.0 million of new project funding to finance

construction of residential colleges as well as \$62.7 million to refund the scheduled bullet maturities of the Series 2009A. This bond series was not callable until October 2019. Vanderbilt funded the remaining defeasance escrow with operating cash. The Series 2009A refunding transaction resulted in an accounting loss of \$2.1 million in the year ended June 30, 2017, which Vanderbilt reported as nonoperating debt defeasance costs.

Vanderbilt originally issued the Series 2009A and 2012D tax-exempt bonds in the par amounts of \$97.1 million, a portion of which was defeased at the time of the Transaction, and \$106.2 million, respectively.

During fiscal 2017, Vanderbilt redeemed the \$34.2 million 2012B floating rate notes. This redemption was funded by the issuance of \$30.0 million of taxable CP and \$4.2 million of operating cash.

Vanderbilt's commercial paper limitation is \$200.0 million; therefore, the university can issue an additional \$85.4 million under its current taxable CP program. Liquidity support for debt with short-term remarketing periods (CP totaling \$114.6 million) is provided by Vanderbilt's self-liquidity.

A second tier of debt liquidity support consists of a \$200 million revolving credit facility as of June 30, 2018, dedicated to Vanderbilt's debt portfolio liquidity support. This commitment expires in April 2020 and has a maximum repayment period, which may extend beyond the expiration date, ranging from 90 days to 367 days. Vanderbilt had no outstanding draws against this credit facility as of June 30, 2018, or 2017. Vanderbilt never has borrowed against revolving credit agreements to support redemptions of debt.

Vanderbilt also has a \$150 million general use line of credit as of June 30, 2018. This line of credit expires in October 2018. Vanderbilt had no outstanding draws against this credit facility as of June 30, 2018, or June 30, 2017. Vanderbilt never has borrowed against general use lines of credit to support operations.

11. INTEREST RATE EXCHANGE AGREEMENTS

Vanderbilt utilizes interest rate exchange agreements as part of its debt portfolio management strategy. These agreements result in periodic net cash settlements paid to, or received from, counterparties. Adjustments to interest expense for net settlements due to counterparties totaled \$3.5 million and \$6.3 million in fiscal 2018 and 2017, respectively.

Vanderbilt estimates the fair value of interest rate exchange agreements by calculating the present value sum of future net cash settlements that reflect market yields as of the measurement date and estimated amounts that Vanderbilt would pay to terminate the contracts as of the report date. Vanderbilt considers current interest rates and creditworthiness of the interest rate exchange counterparties when estimating termination settlements. The estimated fair value of Vanderbilt's outstanding interest rate exchange agreements represented liabilities of \$28.1 million and \$54.8 million as of June 30, 2018 and 2017, respectively.

Vanderbilt did not enter into any new interest rate exchange agreements during fiscal 2018 or 2017. During fiscal 2018, Vanderbilt terminated \$50.0 million notional of fixed-rate payer interest rate exchange agreements at a cost of \$17.3 million to reduce collateral exposure and eliminate ongoing settlement costs.

The fair value of interest rate exchange agreements, reported in the nonoperating section of the consolidated statements of activities, resulted in net gains of \$9.4 million and \$32.3 million in fiscal 2018 and 2017, respectively. The \$9.4 million appreciation of interest rate exchange agreements in fiscal 2018 includes a \$26.4 million net un-

realized gain from the combination of the positive effect of the termination of fixed-rate payer and basis interest rate exchange agreements and the increase in the long-term LIBOR rate, a \$0.3 million unrealized gain to adjust the discount rate to reflect counterparty credit risk, partially offset by \$17.3 million of termination costs. The \$32.3 million appreciation of interest rate exchange agreements in fiscal 2017 includes a \$63.7 million net unrealized gain from the combination of the positive effect of the termination of fixed-rate payer and basis interest rate exchange agreements and the increase in the long-term LIBOR rate, partially offset by \$28.1 million of termination costs and a \$3.3 million unrealized loss to adjust the discount rate to reflect counterparty credit risk. Thirty-year LIBOR increased to 2.9% as of June 30, 2018, from 2.5% as of June 30, 2017. Termination costs are reflected in the appreciation of interest rate exchange agreements in the respective periods.

The interest rate exchange agreements include collateral pledging requirements based on the fair value of the contracts. There was no collateral held by counterparties as of June 30, 2018 or 2017. Vanderbilt estimates that a decline in long-term LIBOR rates to approximately 1% would result in the fair value of the portfolio being a liability of approximately \$60 million, but would not require Vanderbilt to pledge collateral.

As of June 30, 2018, Vanderbilt's adjusted debt portfolio, after taking into account outstanding fixed-payer interest rate exchange agreements, was approximately 99% fixed and 1% variable.

The notional amounts of Vanderbilt's outstanding interest rate exchange agreements as of June 30 were as follows (*in thousands*):

Description	Rate Paid	Rate Received	Maturity	2018	2017
Fixed-payer interest rate exchange agreements	Avg fixed rate of 4.06%	Avg of 68.7% of one-month LIBOR ¹	13 to 22 years	\$ 111,600	\$ 163,800

¹ LIBOR (London Interbank Offered Rate) is a reference rate based on interest rates at which global banks borrow funds from other banks in the London interbank lending market.

12. NET ASSETS

Vanderbilt's unrestricted net assets include funds from general operating activities, gifts and grants, student loans, net assets related to noncontrolling interests, and net assets designated for specific purposes through voluntary resolutions of the Board of Trust.

Board-designated net assets represent portions of unrestricted net assets set aside with the purpose of functioning as endowments and funds set aside for specific future expenditures.

Temporarily restricted net assets were designated by donors for the following purposes as of June 30 (*in thousands*):

	2018	2017
Student scholarships	\$ 400,690	\$ 454,528
Endowed chairs	475,056	353,849
Operations	479,011	263,498
Program support	77,303	102,965
Capital improvements	47,926	20,729
Subsequent period operations and other	104,275	189,873
Total temporarily restricted net assets	\$ 1,584,261	\$ 1,385,442

Permanently restricted net assets as of June 30 were composed of the following (in thousands):

	2018	2017
Donor-restricted endowments	\$ 1,280,893	\$ 1,233,575
Gifts and grants	56,167	42,116
Life income and gift annuities	35,655	32,494
Interests in trusts held by others	23,674	17,011
Total permanently restricted net assets	\$ 1,396,389	\$ 1,325,196

13. FAIR VALUE MEASUREMENT

Vanderbilt utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 consist of quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

Level 2 include inputs other than quoted prices in Level 1 directly or indirectly observable for the assets or liabilities.

Level 3 are unobservable inputs for the assets or liabilities.

The level in the fair value hierarchy within which a fair value measurement in its entirety is classified depends on the lowest level input that is significant to the fair value measurement.

The significance of the unobservable inputs to the overall fair value measurement determines the classification of a financial instrument within level 3.

The consolidated statements of activities reflect: all net realized and unrealized gains and losses on level 3 investments as appreciation of endowment or appreciation of other investments; gains and losses on investments allocable to noncontrolling interests as a component of appreciation of endowment; and net realized and unrealized gains and losses on interests in trusts held by others as appreciation of other investments.

Rollforwards of amounts for level 3 financial instruments for the fiscal years ended June 30 follow (in thousands):

	Beginning balance as of June 30, 2017	Net realized gains (losses)	Net change in unrealized gains (losses)*	Purchases	Sales	Transfers into/(out of) level 3	Ending balance as of June 30, 2018
LEVEL 3 ASSETS							
Private capital	\$ 2,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,368
Real estate	194	-	-	1	(1)	-	194
Natural resources	30,571	-	6,331	-	(2,253)	-	34,649
Trusts	37,216	1,686	(507)	2,204	(6,022)	-	34,577
Other investments	2,563	-	-	178	-	-	2,741
Interests in trusts held by others	28,577	-	8,147	-	(5,971)	-	30,753
Total Level 3	\$ 101,489	\$ 1,686	\$ 13,971	\$ 2,383	\$ (14,247)	\$ -	\$ 105,282

*Total change in unrealized gains/(losses) relating to Level 3 investment assets held by the university at June 30, 2018, is \$13,971 and is reflected in "Appreciation of endowment, net of distributions" for private capital and natural resources categories as well as "Investment income (loss)" for remaining categories in the Consolidated Statement of Activities.

	Beginning balance as of June 30, 2016	Net realized gains (losses)	Net change in unrealized gains (losses)*	Purchases	Sales	Transfers into/(out of) level 3	Ending balance as of June 30, 2017
LEVEL 3 ASSETS							
Global equities	\$ 680	\$ (8)	\$ -	\$ 408	\$ (1,080)	\$ -	\$ -
Private capital	2,368	-	-	-	-	-	2,368
Real estate	179	-	18	-	(3)	-	194
Natural resources	31,442	-	1,238	-	(2,109)	-	30,571
Trusts	35,882	715	2,427	4,896	(6,704)	-	37,216
Other investments	7,623	219	97	-	(5,376)	-	2,563
Interests in trusts held by others	26,601	-	1,976	-	-	-	28,577
Total Level 3	\$ 104,775	\$ 926	\$ 5,756	\$ 5,304	\$ (15,272)	\$ -	\$ 101,489

*Total change in unrealized gains/(losses) relating to Level 3 investment assets held by the university at June 30, 2017, is \$3,788 and is reflected in "Appreciation of endowment, net of distributions" for private capital and natural resources categories as well as "Investment income (loss)" for remaining categories in the Consolidated Statement of Activities.

The following tables present the amounts within each valuation hierarchy level for those assets and liabilities carried at fair value: cash and cash equivalents; investments; investments allocable to noncontrolling interests (in Vanderbilt-controlled real estate and other partnerships); interests in trusts held by others; securities sold short; and the fair value of interest rate exchange agreements.

Also included in the following tables, as a measure of liquidity, are the redemption terms and restrictions of investments, along with the numbers of days' notice required to liquidate these investments. Most investments classified as levels 2 and 3 consist of shares or units in investment funds as opposed to direct interests in the funds' underlying holdings. Vanderbilt's ability to redeem its interest at or near the financial statement date determines the net assets' classification as level 2 or level 3. Vanderbilt defines near-term as within 90 days of the financial statement date.

The total asset values for short-term securities, global equities, fixed income, hedged strategies, and commodities provide varying levels of liquidity, with daily to annual redemption frequencies. These strategies allow Vanderbilt to provide notice to the fund managers to exit from the respective funds in the time periods noted.

The total asset values for private capital, real estate, natural resources, and other investments are illiquid as of June 30, 2018. These

amounts predominantly consist of limited partnerships. Under the terms of these limited partnership agreements, Vanderbilt is obligated to remit additional funding periodically as capital calls are exercised by the general partner. These partnerships have a limited existence and the agreements may provide for annual extensions relative to the timing for disposing portfolio positions and returning capital to investors. Depending on market conditions, the ability or inability of a fund to execute its strategy, and other factors, the general partner may extend the terms or request an extension of terms of a fund beyond its originally anticipated existence or may liquidate the fund prematurely. Unforeseen events prevent Vanderbilt from anticipating such changes. As a result, the timing and amount of future capital calls or distributions in any particular year are uncertain and the related asset values are illiquid.

Trusts are restricted by donors according to the underlying gift agreement with assets held to satisfy annuity obligations or until a remainder portion becomes available upon termination. As such, trusts are illiquid until termination, the timing of which is unknown.

The following tables summarize the fair value measurements and terms for redemptions or liquidations for those assets and liabilities carried at fair value as of June 30 (in thousands):

Assets Reported at Fair Value as of June 30, 2018

	Fair Value Measurements					Total
	Level 1	Level 2	Level 3	NAV		
Cash and cash equivalents	\$ 602,652	\$ -	\$ -	\$ -	\$ 602,652	
Short-term securities	12,088	-	-	-	12,088	
Global equities	912,752	45,657	-	390,731	1,349,140	
Fixed income	255,707	203,840	-	78,817	538,364	
Hedged strategies	513,997	362,091	-	232,965	1,109,053	
Private capital	2,304	-	2,368	1,438,434	1,443,106	
Real estate	-	-	194	155,938	156,132	
Natural resources	299	-	34,649	263,319	298,267	
Commodities	151,771	-	-	-	151,771	
Trusts	-	-	34,577	-	34,577	
Other investments	3,859	-	2,741	-	6,600	
Interests in trusts held by others	-	-	30,753	-	30,753	
Total assets reported at fair value	\$ 2,455,429	\$ 611,588	\$ 105,282	\$ 2,560,204	\$ 5,732,503	

Liabilities Reported at Fair Value as of June 30, 2018

Securities sold short	\$ 190,609	\$ 49,838	\$ -	\$ -	\$ 240,447
Interest rate exchange agreements	-	28,089	-	-	28,089
Total liabilities reported at fair value	\$ 190,609	\$ 77,927	\$ -	\$ -	\$ 268,536

Assets Reported at Fair Value as of June 30, 2017

	Fair Value Measurements					Total
	Level 1	Level 2	Level 3	NAV		
Cash and cash equivalents	\$ 935,446	\$ -	\$ -	\$ -	\$ 935,446	
Short-term securities	137	-	-	-	137	
Global equities	851,749	-	-	276,939	1,128,688	
Fixed income	238,924	69,988	-	40,054	348,966	
Hedged strategies	758,365	280,729	-	220,925	1,260,019	
Private capital	2,891	-	2,368	1,145,741	1,151,000	
Real estate	-	-	194	168,183	168,377	
Natural resources	281	-	30,571	230,579	261,431	
Commodities	133,644	-	-	-	133,644	
Trusts	-	-	37,216	-	37,216	
Other investments	3,590	-	2,563	-	6,153	
Interests in trusts held by others	-	-	28,577	-	28,577	
Total assets reported at fair value	\$ 2,925,027	\$ 350,717	\$ 101,489	\$ 2,082,421	\$ 5,459,654	

Liabilities Reported at Fair Value as of June 30, 2017

Securities sold short	\$ 310,698	\$ 42,327	\$ -	\$ -	\$ 353,025
Interest rate exchange agreements	-	54,784	-	-	54,784
Total liabilities reported at fair value	\$ 310,698	\$ 97,111	\$ -	\$ -	\$ 407,809

Redemption Terms and Restrictions as of June 30, 2018 and 2017

	2018 Fair Value	Redemption Terms	Redemption Restrictions
Cash and cash equivalents	\$ 602,652	Daily, with same-day to 90 day notice	No restrictions
Short-term securities	12,088	Daily, with 1 day notice	No restrictions
Global equities	1,349,140	Daily to annually, with 1 to 95 day notice	Lock-up provision ranging from none to 4 years
Fixed income	538,364	Daily to annually, with 1 to 365 day notice	No restrictions
Hedged strategies	1,109,053	Daily to annually, with 1 to 135 day notice	Lock-up provision ranging from none to 4 years
Private capital	1,443,106	N/A	Not redeemable
Real estate	156,132	N/A	Not redeemable
Natural resources	298,267	N/A	Not redeemable
Commodities	151,771	Daily, with 1 to 30 day notice	No restrictions
Trusts	34,577	N/A	Not redeemable
Other investments	6,600	N/A	Not redeemable
Interests in trusts held by others	30,753	N/A	Not redeemable

14. OTHER REVENUE

The major components of other sources of revenue as of June 30 were as follows (*in thousands*):

	2018	2017
Television revenue	\$ 31,315	\$ 28,660
Endowment funding of internal management costs	11,634	12,300
Tournament revenue	10,893	11,879
Student athletics ticket revenue	9,717	9,043
Miscellaneous revenue from affiliate	8,375	8,618
Conference and seminar revenue	6,638	6,286
Educational and other academic services	3,294	3,478
Child care operations	2,281	2,972
Other miscellaneous revenue	15,405	14,407
Total other sources revenue	\$ 99,552	\$ 97,643

15. STUDENT FINANCIAL AID

Vanderbilt provides financial aid to students based upon need and merit. Institutional resources, contributions, endowment distributions, and externally sponsored programs fund this financial assistance.

For the fiscal years ended June 30, financial aid for tuition and education fees was as follows (*in thousands*):

	2018	2017
Tuition and educational fees, gross	\$ 538,470	\$ 513,103
Less: Financial aid for tuition and educational fees	(239,628)	(231,424)
Tuition and educational fees, net	\$ 298,842	\$ 281,679

For the fiscal years ended June 30, financial aid for room and board was as follows (*in thousands*):

	2018	2017
Room and board, gross	\$ 80,807	\$ 79,278
Less: Financial aid for room and board	(35,998)	(33,812)
Room and board, net	\$ 44,809	\$ 45,466

16. FUNCTIONAL CLASSIFICATION OF EXPENSES AND ALLOCATIONS

The following tables summarize operating expenses for the fiscal years ended June 30 (in thousands):

	2018	2017
Instruction	\$ 355,818	\$ 353,059
Research	177,277	178,035
Public service	33,899	32,611
Academic support	138,057	126,331
Student services	126,220	127,761
Institutional support	203,456	201,618
Room, board, and other auxiliary services	168,598	184,757
Total operating expenses	\$ 1,203,325	\$ 1,204,172

Natural expense classifications include certain allocations of institutional and other support costs to Vanderbilt's primary programs such as instruction, research, and public service. Based on the functional uses of space on its campus, Vanderbilt allocated depreciation and interest on indebtedness to the functional operating expense categories as follows (in thousands):

	2018	
	Depreciation	Interest
Instruction	\$ 16,752	\$ 2,297
Research	16,018	1,072
Academic support	3,743	403
Student services	10,468	679
Institutional support	18,961	478
Room, board, and other auxiliary services	20,811	6,294
Total	\$ 86,753	\$ 11,223

	2017	
	Depreciation	Interest
Instruction	\$ 14,912	\$ 2,517
Research	13,356	1,458
Academic support	6,769	908
Student services	9,864	725
Institutional support	14,910	690
Room, board, and other auxiliary services	21,520	8,320
Total	\$ 81,331	\$ 14,618

17. RETIREMENT PLANS

Vanderbilt's full-time faculty and staff members participate in defined contribution retirement plans administered by a third party investment firm. For eligible employees, these plans require employee and matching employer contributions. The employee immediately vests in these contributions upon eligibility.

Vanderbilt funds the obligations under these plans through payroll transfers to the respective retirement plan administrators with the corresponding expenses recognized in the year incurred. Vanderbilt's retirement plan contributions for fiscal 2018 and 2017 were \$19.7 million and \$18.6 million, respectively.

18. LEASES

Vanderbilt is obligated under numerous operating leases to pay base rent through the respective lease expiration dates. Operating leases primarily consist of equipment and real property with remaining lease terms of up to 10 years. Total operating lease expense was \$15.2 million and \$14.7 million in the years ended June 30, 2018, and June 30, 2017, respectively.

As of June 30, 2018, future committed minimum rentals by fiscal year on significant noncancelable operating leases with initial terms in excess of one year were as follows (in thousands):

2019	\$ 13,389
2020	13,072
2021	12,619
2022	10,966
2023	10,417
Thereafter	35,151
Total future minimum rentals	\$ 95,614

The following table provides a detail of significant noncancelable operating leases by type (in thousands):

	% of Minimum Rentals	Minimum Rentals
Property leases	96%	\$ 92,142
Equipment leases	4%	3,472
Total future minimum rentals	100%	\$ 95,614

Property leases for buildings owned by Vanderbilt University Medical Center (60%) and 2100 West End Avenue (28%) account for approximately 88% of the total future minimum rentals as of June 30, 2018.

19. COMMITMENTS AND CONTINGENCIES

(A) *Construction.* As of June 30, 2018, Vanderbilt had contractual commitments for approximately \$67.9 million of projects under construction and equipment purchases. The largest components of these commitments were for residential college hall construction at the Tarpley site (\$27.8 million) and E. Bronson Ingram College (\$19.5 million).

(B) *Litigation.* On August 12, 2016, Vanderbilt University was served with a lawsuit in Federal District Court styled Cassell, et al. v. Vanderbilt University, et al., No. 16-CV-02086 (M.D. Tenn.), seeking class action status on behalf of the employee-participants in the Vanderbilt University Retirement Plan for an alleged breach of fiduciary duties in the administration of its sponsored retirement

program under 26 U.S.C. Sec. 403(b). The Complaint in the lawsuit does not claim any specific amount of alleged damages but, rather, contends that such alleged damages must be determined through discovery in the matter.

In addition, on May 17, 2016, a former Vanderbilt football player filed suit against the NCAA, the SEC, and Vanderbilt in the Middle District of Florida in Orlando seeking class action status for students, who played football at Vanderbilt between 1952 and 2010. The suit is styled *Walthour v. Vanderbilt University, et al.*, No. 16-cv-834 (M.D. Fl.). Walthour alleged he suffered "several" concussions and now has cognitive functioning problems, such as loss of memory, mood swings, sensitivity to light, and blackouts. The suit has been transferred to the Northern District of Illinois for pre-trial purposes as a tag-along action to the multidistrict litigation styled *In re: National Collegiate Athletic Association Student-Athlete Concussion Injury Litigation*, MDL No. 2492.

Vanderbilt believes that the outcome of these actions will not have a significant effect on its consolidated financial position. Vanderbilt is otherwise involved in various legal actions occurring in the normal course of activities which will not have a material adverse effect on Vanderbilt's financial position.

(C) *Regulations.* Vanderbilt's compliance with regulations and laws is subject to future government reviews and interpretations, as well as regulatory actions unknown at this time. Vanderbilt believes that

any potential liability from such reviews would not have a significant effect on Vanderbilt's consolidated financial position.

(D) *Employee Health and Workers Compensation Insurance.* Vanderbilt is self-insured for employee health insurance and workers compensation coverage. Vanderbilt bases estimated liabilities upon studies conducted by independent actuarial firms.

(E) *Federal and State Contracts and Other Requirements.* Expenditures related to federal and state grants and contracts are subject to adjustment based upon review by the granting agencies. Amounts of expenditures that granting agencies might disallow cannot be determined at this time. These amounts affect government grants and contract revenue as well as facilities and administrative cost recovery. Vanderbilt would not expect these costs to materially impact the consolidated financial position.

(F) *Partnership Investment Commitments.* Vanderbilt had \$605.8 million of commitments to venture capital, real estate, and private equity investments as of June 30, 2018. At the request of the general partners, Vanderbilt may be required to contribute funds over the next several years. Vanderbilt expects to finance these commitments with available cash and expected proceeds from the sales of securities. Included in these commitments is \$10.0 million of commitments for which Vanderbilt is a secondary guarantor for commitments in certain investment vehicles where minority limited partners in subsidiaries that Vanderbilt controls have the primary obligations.

20. RELATED PARTIES

Intermittently, members of Vanderbilt's Board of Trust or Vanderbilt employees may be directly or indirectly associated with companies engaged in business activities with the university. Accordingly, Vanderbilt has a written conflict of interest policy that requires, among other things, that members of the university community (including trustees) may not review, approve, or administratively control contracts or business relationships when (a) the contract or business relationship is between Vanderbilt and a business in which the individual or a family member has a material financial interest or (b) the individual or a family member is an employee of the business and is directly involved with activities pertaining to Vanderbilt.

Furthermore, Vanderbilt's conflict of interest policy extends beyond the foregoing business activities in that disclosure is required for any situation in which an applicable individual's financial, professional, or other personal activities may directly or indirectly affect, or have the appearance of affecting, an individual's professional judgment in exercising any university duty or responsibility, including the conduct or reporting of research.

The policy extends to all members of the university community (including trustees, university officials, and faculty and staff and their immediate family members). Each applicable person is required to certify compliance with the conflict of interest policy on an annual basis. This certification includes specifically disclosing whether Vanderbilt conducts business with an entity in which he or she (or an immediate family member) has a material financial interest as well as any other situation that could appear to present a conflict with Vanderbilt's best interests. When situations exist relative to the conflict of interest policy, Vanderbilt takes active measures to manage appropriately the actual or perceived conflict in the best interests of the university, including periodic reporting of the measures taken to the Board of Trust Audit Committee.

See Note 21 to the consolidated financial statements for discussion regarding the ongoing economic relationship between Vanderbilt and VUMC.

21. VANDERBILT UNIVERSITY MEDICAL CENTER

Following the Transaction, Vanderbilt has an ongoing economic relationship with VUMC in the form of an Academic Affiliation Agreement ("AAA"), a Trademark Licensing Agreement ("TML"), a Ground Lease, and a Master Service Agreement ("MSA").

The AAA recognizes the ongoing academic, research, and clinical affiliation between the university and VUMC for all of the university's degree-granting, certificate, and research programs. The AAA serves to allocate responsibility between the university and VUMC

for jointly administered academic programs, residency programs, and ongoing roles and rights of the university. The AAA will remain in effect until termination of the TML or Ground Lease.

Pursuant to the TML, the university grants, subject to certain consents and approvals, a perpetual license to VUMC to use various university-owned licensed marks in connection with VUMC's fundamental activities after the Transaction date. The licensed marks, which VUMC will continue to use as the primary brands of VUMC,

include virtually all those currently in use by VUMC. The TML will remain in effect until termination of the AAA or Ground Lease.

The Ground Lease allows VUMC to use the land on which its campus and related buildings are located. The initial term of the Ground Lease ends June 30, 2114, with the option to extend for up to two additional terms of 50 to 99 years each upon mutual agreement by Vanderbilt and VUMC.

Following the Transaction, Vanderbilt and VUMC provide specified services to one another for agreed-upon consideration as outlined in the MSA. Vanderbilt continues to provide services to VUMC such as IT support, utilities, and law enforcement staffing. VUMC will continue to provide graduate medical education and training to Vanderbilt. The terms of these service agreements between Vanderbilt and VUMC are unique to each agreement.

22. SUBSEQUENT EVENTS

Vanderbilt evaluated events subsequent to June 30, 2018, through October 11, 2018, the date of issuance of the consolidated financial statements.

In July 2018, Vanderbilt securitized the upcoming 30-year term of one of the university's trademark revenue streams and the remaining \$89.6 million balance of a promissory note receivable that resulted from the Transaction. This securitization occurred on a true-sale basis to a group of external investors in exchange for net cash consideration of \$1.43 billion and a special interest obligation equivalent to the remaining future promissory note interest stream.

In July 2018, Vanderbilt entered into a note purchase agreement for a \$300 million long-term debt private placement. The university will use a portion of the proceeds for the next phases of residential college construction. Vanderbilt signed the term sheet, which locked the rate for this agreement in May 2018. The university may draw the proceeds anytime during the six-month period following the signing of the term sheet. Vanderbilt has not drawn any amounts as of the time of issuance of the fiscal 2018 financial statements.

Vanderbilt did not identify any other material subsequent events for recognition or disclosure.

List of Board of Directors or Trustees*

June 4, 2019

Bruce R. Evans – Board Chairman
Jeffrey J. Rothschild – Board Vice-Chairman
Jon Winkelried – Board Vice-Chairman
Adolpho A. Birth III – Board Secretary
Nicholas Zeppos – Chancellor of University

Greg Allen
Lee M. Bass
W. Perry Brandt
Dr. Shirley M. Collado
Jay C. Hoag
Andrew Hoine
Kito K. Huggins
John R. Ingram
Kathleen Justice-Moore
Aditya Karhade
Steven H. Madden, Sr.
Mark P. Mays
W. Douglas Parker, Jr.
Courtney Clark Pastrick
Dr. David W. Patterson, M.D.
Ross Perot, Jr.
Dr. Robert C. Schiff, M.D.
Alexander C. Taylor
Nora Wingfield Taylor
Mark Wilf

**Board Members are not compensated for their board services.*

Robert M. Corso

EDUCATIONAL BACKGROUND

- 2000 Ph.D. in Special Education
University of Illinois at Urbana-Champaign
Areas of Emphasis: Early Childhood and Program Evaluation
- 1993 Ed.M. in Curriculum & Instruction
University of Illinois at Urbana-Champaign
Area of Emphasis: Early Childhood Education
- 1990 B.S. in Accountancy
University of Illinois at Urbana-Champaign

PROFESSIONAL EXPERIENCE

- 2014- 2018. Vanderbilt University
Nashville, TN
Senior Researcher
- Support Implementation of MT and MA of the Pyramid Model
- 2014- 2018 PYRAMID MODEL CONSORTIUM
Fort Collins, CO
Statewide Implementation Director
Support national Implementation of the Pyramid Model
- 2010-2015 HEAD START CENTER ON QUALITY TEACHING AND LEARNING

Vanderbilt University - Nashville, TN

Project Coordinator/Co-Principal Investigator

- Direct project activities around state training, strategic planning, and outreach activities.

2008-2012 **CENTER ON EFFECTIVE MENTAL HEALTH CONSULTATION**

Vanderbilt University - Nashville, TN

Staff

- Develop products related to Mental Health Consultation and the Pyramid Model

2002-2012 **CENTER ON THE SOCIAL AND EMOTIONAL FOUNDATIONS FOR EARLY LEARNING**, Vanderbilt University - Nashville, TN

Assistant Research Professor/Project Coordinator

- Director project activities around training, strategic planning, and outreach activities.
- Manage fiscal activities for the Center and its subcontractors
- Provide supervision to the project's staff and graduate students

1998-2010 **HILTON/EARLY HEAD START TRAINING PROGRAM**, Rohnert Park, CA

Evaluation Coordinator

- Measured short- and long-term outcomes, utilizing the philosophy of continuous improvement is interwoven into every aspect of the program design and evaluation.
- Developed a wide variety of methods of data collection are used, including team applications, questionnaires, participant focus groups, and interviews.
- Utilized a variety of strategies are used to evaluate strengths and weaknesses, identify obstacles to goal achievement, reflect on current successes, and identify further resources and information needed.

2001-2003 **GREAT LAKES QUALITY IMPROVEMENT CENTER FOR DISABILITY SERVICES**: Champaign, IL

Co-Principal Investigator/ Director

- Manage training and technical assistance network for Head Start/Early Head Start grantees in Illinois, Indiana, Ohio, Wisconsin, Minnesota and Michigan
- Coordinate strategic planning and evaluation efforts to measure the impact of the training and technical assistance provided to early childhood programs

1998-2002 **CLAS EARLY CHILDHOOD RESEARCH INSTITUTE**: Champaign, IL

Project Coordinator

- Managed day-to-day operations of the work of the Institute
- Present and disseminate information regarding the work of the project

Evaluation Coordinator

- Coordinated the evaluation activities for a large-scale federal research project examining issues of culture and language in early childhood and early intervention
- Developed both quantitative and qualitative measurements to determine the impact of the project activities
- Simultaneously collected and analyzed data from multiple sources

1994-1997

PRESBYTERIAN MEDICAL SERVICES: Farmington, NM

Administrator, Home-Based Programs:

- Managed Early Intervention Services, Disabled & Elderly and HIV/AIDS Medicaid Waiver Case Management, and Coordinated In-Home Care programs.
- Assisted in administration and oversight of program operations including
 - * Early Intervention
 - * Head Start and Infant/Toddler Care

Program Director, Little Feet Child Development Centers:

- Handled all matters related to day to day administration and operation and the implementation of the educational curriculum for children birth to five years old.

1990-1994

CRISIS NURSERY IN CHAMPAIGN COUNTY: Urbana, IL

Program Coordinator:

- Worked in collaboration with community agencies providing services to the homeless, women in transition, and families experiencing domestic violence.
- Assisted with the family enhancement program providing parent education, parent support, and children's playgroups.

SELECTED PUBLICATIONS

Doubet, S. & Corso, R. M.. (2011). Supporting children's social emotional development. In C. J. Groark (Series Ed.) and S. Maude (Vol. Ed.), *Early Childhood Intervention: Shaping the Future for Children with Special Needs and Their Families, Three Volumes: Vol. 2. Proven and Promising Practices in EI/ECSE*. Santa Barbara, CA: ABC-CLIO

Catlett, C., Maude, S., & Corso, R. (2009). Results of the Crosswalks Study. Manuscript to be submitted to *Journal of Early Intervention or Topics in Early Childhood Special Education*.

Corso, R. M. (2007). *Practices for enhancing children's social emotional development and preventing challenging behavior*. *Gifted Child Today*.

Corso, R., Brekken, L., Ducey, C., & Knapp-Philo, J. (2006). *Professional development strategies to support the inclusion of infants and toddlers with disabilities in infant-family programs*. *Zero to Three*, 26 (3), 36 – 42.

Santos, R., Corso, R., & Maude, S. (2006) *A model for increasing meaningful participation of diverse constituents in research.* Multiple Voices (9) 1, 28-42.

Santos, R. M., Corso, R.M., & Rothenberg,, D. (2005). *Information training and technical assistance: A case study of the CLAS Institute Web site.* In D. Edyburn, K. Higgins, & R. Boone (Eds.), *The handbook of special education technology research and practice.* Whitefish Bay, WI: Knowledge by Design, Inc.

Hemmeter, ML, Corso, R.M., & Fox, L. (2004). *Promoting young children's social emotional development and addressing challenging behaviors.* NABE News, 27 (4), 8-11.

Fowler, S.A., Santos, R.M., Corso, R.M. (Eds.) (2004). *Getting started: culturally and linguistically appropriate screening, assessment and family information gathering.* Sopris West. Longmont, CO.

Corso, R.M., Santos, R.M., & Fowler, S.A (Eds.) (2004). *Building healthy relationships with families to support service utilization.* Sopris West, Longmont, CO.

Santos, R.M., Corso, R.M., & Fowler, S.A (Eds.) (2004). *Language and communication: working with linguistically diverse families.* Sopris West. Longmont, CO.

Knapp-Philo, J., Corso, R.M., Brekken, L., & Heal, H. (2004). *Training strategies for the 21st century.* Infants and Young Children, 17(2), 171-183.

Hemmeter, M. L., & Corso, R. M. (Nov, 2004). *Let's Be Friends: Tips for teaching social skills and preventing problem behavior.* The Utah Special Educator, Salt Lake City, Utah: Utah Personnel Development Center.

Corso, R.M. (2003). *The Center on the Social and Emotional Foundations for Early Learning. Young Children.* Young Children, 46-48.

Bruns, D., & Corso, R.M. (2003). *Working with culturally and linguistically diverse families.* The Journal of the Coalition of Essential Schools, 19 (2), 14-16.

Barrera, I., Corso, R.M., & Macpherson, D. (2003). *Skilled dialogue: Strategies for responding to cultural diversity in early childhood.* Baltimore, MD: Paul Brookes.

Bruns, D., & Corso, R.M. (2003). *Working with culturally and linguistically diverse families.* The Journal of the Coalition of Essential Schools, 19 (2), 14-16.

Barrera, I., & Corso, R.M. (2002). *Cultural competency as skilled dialogue.* Topics in Early Childhood Special Education.

Corso, R. M., Santos, R.M., & Roof, V. (2002). *Collect, select, and reflect: Adaptive practice and materials to honor the diversity of children and families.* TEACHING Exceptional Children.

Corso, R.M., & Bruns, D. (2001). *Working with culturally and linguistically diverse families.* ERIC Digest. ERIC Clearinghouse on Elementary and Early Childhood Education.

Chen, D., McLean, M., & Corso, R. M., & Bruns, D. (2000). *Culturally and linguistically sensitive practices in motor skills interventions for young children* (CLAS Technical Report #11). Champaign, IL: University of Illinois at Urbana-Champaign, Early Childhood Research Institute on Culturally and Linguistically Appropriate Services.

Santos, R. M., Fowler, S. A., Corso, R. M., & Bruns, D. (2000). *Acceptance, acknowledgement, and adaptability: Selecting culturally and linguistically appropriate early childhood materials*. TEACHING Exceptional Children, 32 (3), 14-22.

RESEARCH/TEACHING EXPERIENCE:

- 2004 Instructor
Intervention Issues and Practices with Young Children with Disabilities
Department of Special Education
University of Illinois
- 2003 Instructor
Typical Development in Young Children
Department of Special Education
University of Illinois
- 2002 Instructor
Atypical Development in Young Children
Department of Special Education
University of Illinois
- 1999 Early Childhood Practicum Supervisor
Preschool and Infancy Placements
Department of Special Education
University of Illinois

Maude, S., & Corso, R. (June, 2005). Writing Outcomes for the Evaluation of Personnel Preparation or Program Impact. Conference session presented at the 2005 NAEYC National Training Institute, Miami, FL.

Maude, S., Corso, R., & Sherman-Proehl, L. (2004). Statewide Early Literacy Effort: An Example of How to Build Capacity and Sustainability Across the Early Childhood Education and Care Communities. Poster session presented at the 2004 American Evaluation Association Conference, Atlanta, GA.

Maude, S., & Corso, R. (2004). Writing outcomes for evaluating program impact. Invited preconference workshop presented at the 2004 Annual International Division for Early Childhood Conference, Chicago, IL.

Reising, P., Maude, S., Corso, R., Leff, J., Shelby, D., & Slattery, K. (2004). STARNET: The next generation. Poster session presented at the 2004 Annual International Division for Early Childhood Conference, Chicago, IL.

Corso, R.M., & Maude, S. (July, 2004). Developing an Outcomes Evaluation of Your Personnel Preparation Program. Invited workshop presented at the Illinois Faculty Institute, Oakbrook, IL.

OTHER PROGRAM EVALUATION EXPERIENCES:

Crosswalks: Outreach to infuse diversity in pre-service education. (2005 – Present)
Illinois Early Intervention Training Program (June 2007 – June 2008)
NAEYC Professional Development Division (December 2004 – 2006)
Illinois State Board of Education Training & Technical Assistance Div. (Sept 2002- Present)
Illinois Head Start Association – CATCH Grant (July 2005 – Jan. 2006)
Southern Oregon ESD (July 2004 – July 2005)
Iowa Every Child Reads Project Evaluation (June 2001 – December 2003)
Fulton County Schools Evaluation (June 2001 – June 2003)
Navajo Tri-State Evaluation of Effective Early Intervention Service (Aug. 2001)
Head Start Region V GLDSQIC Program Evaluation (March 1998 –August 2000)
Navajo Nation Growing In Beauty Program Evaluation (Feb. 1998 – Aug. 1998)

NATIONAL/STATE/COMMUNITY COMMITTEES

2005-Present	Division for Early Childhood Executive Board, Treasurer
2000-2005	Illinois Division of Early Childhood, Treasurer
1999-2000	Council for Exceptional Children Chapter #51, Treasurer
1998-1999	Council for Exceptional Children Chapter #51 - President
1997-1998	Illinois Council for Exceptional Children
1996-1997	New Mexico Northwest Regional Interagency Coordinating Council

MEMBERSHIPS AND ASSOCIATIONS

American Evaluation Association
Council for Exceptional Children - Division for Early Childhood
National Association for the Education of Young Children

Inan M. Izen, M.A., CCC-SLP

Highly skilled and experienced consultant committed to supporting individuals and groups with the knowledge and skills needed to achieve their goals.

Summary

- Over thirty-year's experience in leadership and management positions within education and other non-profit environments.
- Expertise in assessment, meeting facilitation, strategic planning, change management, team development, process analysis and evaluation.
- Successful grant writer, with a twenty-eight year proven track record.
- Content knowledge in Pyramid Model practices including Practice-Based Coaching and trauma-informed early childhood services (TIECS)
- Organized and articulate; strong written and verbal language skills.

Professional Experience

Organization Development Consultant

Southeastern Regional Education Service Center, Inc. (SERESC), Bedford, NH

Meeting facilitator [2008-present]

- Develop and support highly productive groups to achieve their desired goals.
 - Process meetings for staff, consultants and coaches (2008-present)
 - SEE Change (Sustainable Early Engagement for Change) State Leadership Team focused on implementing, sustaining and scaling up evidence-based practice (DEC Recommended Practices) to improve child outcomes (2014-2016)
 - Pyramid Model State Leadership Team focused on statewide implementation of Pyramid Model practices so that "All NH families, early childhood programs, and communities have the capacity to support the social emotional well-being of infants and young children." (2016-present)

Strategic planning facilitator [2009-present]

- Jaffrey-Rindge School District, Jaffrey, NH [2009-2011]
 - Engaged a team of special education administrators and preschool special education teachers and therapists in a two-year strategic planning and implementation process to promote improved education outcomes for the district's identified preschool children and their families.
- SERESC Leadership Team [2011-2014]
 - Ongoing facilitation to support the development and implementation of a comprehensive strategic plan.

Project Director, Grant Writer, Consultant

Southeastern Regional Education Service Center, Inc. (SERESC), Bedford, NH

Coordinator of Practice-Based Coaches and TPOT Administrators for 8 NH School Districts (2018-2019)

- Recruit, hire, supervise and support cohort of skilled and knowledgeable coaches and administrators

NH Preschool Technical Assistance Network [1990-present]

- Conceived, designed and developed the Preschool Technical Assistance Network (PTAN), a statewide professional development system that promotes quality programs for New Hampshire's young children with special needs and their families.

- Ongoing grant writing responsibilities to secure local, state and federal funding
- Hire, supervise and support project staff and associated consultants
- Facilitate interagency groups; provide individual and group consultation; develop training curriculum; and train small and large groups
- Provide consultation/technical assistance to childcare teachers and administrators to prevent expulsion of young children with challenging behaviors and other special needs.
- Produce annual reports documenting achievement of project goals with substantive outcome data

The Regional Preschool Improvement Project [1998-2008]

- Annually redesigned this collaboratively funded project to meet the needs of the participating school districts. Provided consultation and training to promote programs' ongoing efforts to improve their services for young children with disabilities and their families.

The Early Childhood Training Project [1992-1996]

- Annually designed this collaboratively funded statewide training project. Responsible for all aspects of this annual conference including: program design, grant writing, selection of presenters, brochure design, site selection, registration process, exhibit hall and coordination of paid and volunteer staff.

The Regional Child Find Project [1989-1992]

- Designed this regional child find program for school districts to identify children, birth to 6-years old who may be eligible for special education programming.

Project SET (Smooth and Efficient Transitions) [1990-1992]

- Designed and implemented this collaboratively funded project to improve the transition of young children and families from early supports and services to preschool special education.

Speech-Language Pathologist/Developmental Specialist [1988-1990]

- Private practitioner working with families of very young children, birth through age 3

Director of Program Development, Speech/Language Pathologist [1981-1987], The Early Intervention Program at Southern New Hampshire Medical Center, Nashua NH

Speech-Language Pathologist [1980-1981], Crotched Mountain Rehabilitation Center, Greenfield, NH

Education

O.D. Certificate	Leadership NH, 2010 Organization Development, 2008 Antioch University New England, Keene, New Hampshire
M.A.	Speech Communication, 1980 University of Maine, Orono, Maine
B.S.	Communication Disorders, 1977 Emerson College, Boston, Massachusetts

Achievements and Appointments

- NH DHHS Child Development Bureau, Early Childhood Credential Level 3: Trainer, Mentor, Faculty, 2002-2008; Early Childhood Master Professional: Program Consultant, 2009-2018
- Trauma Informed Early Childhood Services training completed 5/16; participant in ongoing TIECS reflective supervision (8/16-present); Facilitator of TIECS Professional Learning Community (2017)
- Advisory Committee member, *Breakthrough Manchester* (9/14-present)
- Board of Directors, Secretary, *Lake Kanasatka Watershed Association*, (8/13-present)
- Chair, Board of Directors, *Girls At Work, Inc.* (9/10-6/13)
- *Gwen and Henry Morgan Award* recipient, New Hampshire Department of Health and Human Services/Child Development Bureau, *"in recognition of your achievement in professional development and commitment to improving the quality of care and education in New Hampshire"*
- *Mary Stuart Gile Award* recipient, New Hampshire Department of Health and Human Services/Child Development Bureau, *"in recognition of your commitment to the development of the next generation of early childhood professionals"* (2006)
- New Hampshire Child Care Advisory Council, 1996-2014 (Secretary, 1998-2002, Vice-Chair, 2002-2008, Co-Chair, 2011-2013)

Professional Affiliations

- The American Speech-Language-Hearing Association
- The Organization Development Network
- New Hampshire Center for Nonprofits
- The NH Association for Infant Mental Health
- The Council for Exceptional Children – Division of Early Childhood
- The National Association for The Education Of-Young Children

September Gerety

PROFILE:

Passionate about using data to positively impact student achievement and behavior
Skilled at facilitating implementation of research based instructional strategies
Effective coach and collaborator with teachers and administrators
Engaging presenter; consistently receive positive evaluations for staff development
Team player with systems orientation and strong communication skills
Successful change leader in high poverty, high English language learner school settings

CREDENTIALS:

Masters of Education, Educational Leadership and Administration; Colorado State University
Completion of Principal Licensure Program; Colorado State University
Bachelor of Arts, Elementary Education; College of Santa Fe
Colorado Professional Teaching License with Culturally and Linguistically Diverse endorsement

PROFESSIONAL EXPERIENCE:

Practice-Based Coaching Coordinator/Training Specialist
National Center on Quality Teaching and Learning
University of Washington
2014-Present
Deliver regional and state-based training on the Pyramid Model, PIWI, and Practice-Based Coaching
Coordinate monthly Coaching Corner webinars
Provide direct coaching support to Head Start grantees in Region 11
Support the development of Practice-Based Coaching resources
Facilitate communication between multiple organizations, agencies, and stakeholders

Training and Professional Development Consultant
2011-Present
Train teaching staff on evidence-based teaching practices, using principles of adult learning
Facilitate training of trainers for diverse agencies in multiple states
Provide follow-up coaching (face-to-face and remote) for implementation
Conduct district-wide workshops on using assessment to guide instruction
Attendees report changing professional practices based on what they learned

American Indian/Alaskan Native Field Coach

National Center on Quality Teaching and Learning

University of Washington

2013-2014

Collaborated with administrators to determine program-wide goals and to build supports for the coaching process

Analyzed classroom data to identify teacher strengths and professional development needs

Provided practice-based coaching and relevant support to teachers

Developed materials to support implementation of best practices

Documented improvement in teaching practices

Coordinated assessment of the coaching program and implementation fidelity

Prepared documents and training materials for reports, publications and presentations

Administrative and Coaching Intern/School Readiness Grant Liaison

Poudre School District

2012-2013

Facilitated working relationships between multiple community agencies and the school district

Provided staff development for groups ranging from 4-50 people

Coached teachers in standards-based planning and instruction

Worked with teachers and administrators to create standards-based vertical alignment

Mentored novice teachers and teachers new to working with a diverse student population

Teacher

Putnam Elementary School

2007-2013

Student population: 82% poverty; 21% homeless; 29% English Language Learners

Closed the achievement gap: my students were in the 50-70th percentile for academic growth when compared with other students state-wide

Used protocols to facilitate Professional Learning Communities

Planned lessons using the Understanding by Design framework, Common Core State Standards, and English Language Development Standards

Created and implemented parent education program to increase student achievement and decrease negative behaviors

Teacher

TR Paul Academy of Arts and Knowledge

2006-2007

Teacher

Dunn Elementary School

1997-1998

Teacher

Birney School District, MT

1995-1997

ACADEMIC PREPARATION

New York University, New York, NY 2003
Educational Psychology, 3.98/4.0 G.P.A.
Pi Lambda Theta, Honor Society
Department of Applied Psychology, M.A.

Michigan State University, East Lansing, MI 1994
Materials and Logistics Management, 3.25/4.0 Major G.P.A., B.A.

AREA OF SPECIALIZATION

Promoting young children's social emotional development; caregiver-child relationships and attachment; reflective supervision and consultation; infant and early childhood mental health consultation; approaches to professional development and supporting families and teachers to use evidence based practices; high-quality, culturally responsive, relationship based services; engaging strength-based coaching and support to promote self-reflection and sustainable change

EXPERIENCE

LECTURER

The University of Michigan – Dearborn, College of Education, Health and Human Services, Dearborn, MI (2015)

- Teaching EDC 414/514, Young Children with Special Needs

CONSULTANT and ADJUNCT FACULTY

Research Foundation of City University of New York : Professional Development Institute, New York, NY (2012-2015)
UNY School of Professional Studies, New York, NY (2014)

- Provide consultation and coaching to Directors, teachers and staff to support the improvement of quality and strengthen relationships between all partners
- Collaborate as part of a team in the design, implementation and presentation of professional development opportunities and related activities to support quality improvement and sustainable relationships
- Provide leadership to program staff to formulate and implement a responsive work plan based on a thorough assessment of the strengths and areas of opportunity for growth
- Support and facilitate learning around early childhood development, reflective practice, cultural awareness and responsiveness, and observation as a strategy through supportive activities and experiences
- Supervised student fieldwork experiences in infant and early childhood placements

CONSULTANT

ZERO TO THREE, Washington, DC (2009-2011)
Vanderbilt University, Nashville, TN (2010-2015, 2016-2018)
Pyramid Model Consortium (2015-present)

- Support national and statewide implementation and systems building efforts and initiatives related to program-wide positive behavior support
- Provide training, coaching and consultation activities that support the high fidelity implementation of the Pyramid Model
- Develop training materials and provide professional development and support related to trauma informed care
- Collaborate with colleagues within the National Center on Health to support the development of resources and professional development related to infant and early childhood mental health

- Oversee and provide coaching support to field coaches implementing PBC (Practice-Based Coaching) within 28 early childhood programs
- Coaching, consultation and training for trainers and technical assistance providers in the area of home visiting, specifically Parents Interacting with Infants and Toddlers (PIWI)
- Gather information, edit and write material for the *CSEFEL Infant and Toddler* training modules, as well as develop other program materials regarding young children's social and emotional development
- Develop and facilitate customized trainings and resources to support NCQTL (National Center on Quality Teaching and Learning) and NCECDL efforts in the areas of school readiness, practice-based coaching, high-quality early childhood program practices, child outcomes and family engagement

CONSULTANT

Lee Institute, Charlotte, NC (2008-2011)

- Provided consultation and technical assistance to child protective service (CPS) workers working with families with children birth to five years
- Identified, developed and provided training and materials to enhance the knowledge of CPS workers regarding infant mental health, child development, risk, resilience and trauma, social-emotional adjustment and maladaptation, and healthy patterns of parent-child interaction
- Developed individualized strategies and supported the goal planning process to help address child, family and/or program issues that reflect the unique cultures, skills, strengths, needs and preferences of the child, family and adult caregivers
- Participated in and supported reflective case consultation with CPS workers

CONSULTANT and CERTIFIED NATIONAL TRAINER

Devereux Center for Resilient Children, Villanova, PA (2007-present)

- Collect and analyze research data and reviews focusing on infant and toddler social and emotional health in early care and education settings, as well as social and emotional health of young children (birth to six) in foster care
- Co-authored the *Devereux Early Childhood Assessment for Infants and Toddlers Strategies Guide*
- Co-authored the *Devereux Foster Caregiving Reflective Checklist* and supportive strategies for children birth to six years of age - *Your Journey Together Through the Child Welfare System: Building resilience in young children and families*
- Authored research overview section of the Facilitator Guide to support Devereux's *Your Journey Together: Building Resilience in Foster Care*

CONSULTANT and INFANT AND EARLY CHILDHOOD CONSULTANT

Early Childhood Investment Corporation (Grant), Lansing, MI (2011)

ACRDC Early Head Start and Head Start, Allegan, Michigan (2004, 2010-2016)

Childcare Enhancement Project, CARE, State of Michigan, Calhoun County (2005-2009)

Casa Central Head Start, Chicago, Illinois (2004-2009)

Ounce of Prevention Fund (Grant), Chicago, Illinois (2008-2010)

Michigan Migrant Early Head Start and Head Start (2005, 2007, 2008, 2018)

Newark Preschool Council, Inc. Head Start, Newark, New Jersey (2001-2003)

- Observe and assess academic skills, emotional development, social skills, and eligibility for special services of children birth to six years
- Provide reflective supervision and case consultation for Home Visitors supporting teen parents and families of children birth to three
- Responsible for implementation of statewide initiative to enhance quality of care in early learning and development programs; coordinated and provided oversight and support for cadre of statewide consultants
- Provide consultation services using evidence-based practice techniques to support young children, families, childcare providers and program staff caring for children birth to six years
- Programmatic consultation within the childcare setting to improve the overall quality of services and to promote skills across a universal level for all children
- Child/family-centered mental health consultation within the childcare and home settings to create a comprehensive collaborative plan with the family, provider and others to address the issues which challenge a child and/or family's ability to feel successful in an early childhood setting

- Provide coaching and technical assistance to support childcare providers and early childhood educators implementing the *Pyramid Model* and evidence-based practices
- Establish, coordinate and support a community Task Force group and meetings promoting local efforts regarding quality services and programs for children birth to five

PRIVATE PRACTICE

Positive Pathways, Marshall, Michigan (2003-present)

- Promote positive parent-child interactions, healthy infant development and parental competencies
- Administer family and child assessments
- Individual and family treatment of infants, young children, adolescents and adults
- Provide reflective consultation for clinicians and mental health consultants

INTERVENTIONIST (Grant)

Calhoun Intermediate School District, Marshall, Michigan

2004 -2005

ADJUNCT FACULTY

Madonna University, Livonia, Michigan
Baker College, Owosso, Michigan

2003 – 2004