Trustee James Mullen, Chair, convened the meeting.

1. Citizen Comment. Citizen Comment is a time regularly set aside for comments from the public. No one had signed up to speak at the November meeting.

2. Acceptance of Minutes. On motion of Trustee Ryan Anderson, which was seconded by Trustee Judith Andrucki, the minutes for September 11, September 23 and 24, and October 2, 2001 were unanimously accepted as written.

3. Chair’s Remarks and Agenda. Trustee Mullen thanked President Kalikow for her hospitality and that of her staff and campus community for hosting the Board meeting and he formally welcomed new Trustee William “Bill” Johnson to his first meeting. He said Trustee Johnson is an alumni of the University of Maine and is very active in alumni affairs and fund raising, and he also serves as the Mayor of Saco, after thirty years in the oil business.

Trustee Mullen reported as Chair of the Chancellor Search Committee that the search for a new chancellor is well underway with the committee having looked at the resumes of over thirty potential candidates and have narrowed the field to seven. The Committee will meet in another week and will report to the Board at the January meeting.

In the face of a difficult Maine economy, Trustee Mullen said the Board is working on several fronts. “The Board is working closely with the Governor’s office and several state agencies to become more of an economic engine for the state. A great deal has been done already in the areas of research and development, and outreach, which was described in committee earlier by Presidents Hoff and Pattenaude. The Finance Committee is wrestling with how to deal with budget cuts mandated by the Governor just as our Efficiency and Effectiveness Committee is analyzing how we can better utilize the scarce resources we already have at our disposal. We are making progress here and hopefully we should have a report soon. “

"Critical to the Board is the bond issue on tomorrow’s ballot. This is a good time to borrow money for these long overdue projects, which in themselves will have positive implications for both the short term and long term economics of Maine. So, please be sure to go out and vote tomorrow.”

“In the face of the difficulties and challenges, we continue to have some wonderfully positive things
going on. As you will hear in a moment, our enrollments are up, and we are providing more Maine citizens than ever with access to an education. On today’s consent agenda is approval of a new Center on Aging at the University of Maine, whose mission ultimately will improve the quality of life in older citizens and their families. We heard a wonderful presentation last night on the use of technology in the classrooms here at Farmington as a means of improving the quality of our teaching and as a means of making the learning experience more valuable. Yes, a lot of good things are happening throughout the System on our campuses and at our centers and sites. We must clearly understand that difficult times, very difficult times, are on the immediate horizon. With rising health care and energy costs, likely appropriations cuts from Augusta, even with tuition increases and more efficiencies in our spending, we preliminarily estimate budget shortfalls in the year after this one that could be of the magnitude of $15 million. How big is $15 million? Well, if tuition here at Farmington is about $3,500 per year for an in-state student, $15 million would represent 4,200 students. That’s the equivalent of the University of Maine at Presque Isle, the University of Maine at Machias, the University of Maine at Fort Kent, and half of the University of Maine at Farmington. That’s how big $15 million is. We’ve come a long way in the last five years after an earlier five-year period that was particularly troublesome. We clearly do not want to go back to those times and must particularly not lose sight of those times if we hope to avoid some of the consequences of those days. We have many challenges before us. To meet those challenges, we all need to work together to find solutions. New solutions.”

Amendments to the By-Laws. On motion of Trustee Ryan Anderson, which was seconded by Trustee James Dowe, the amendments to the by-laws were unanimously approved as presented.

Committee Assignments. Trustee Mullen reported as follows on committee assignments for the Student Representatives:

Student Affairs: Dawn Bickford, UMA; Jason Judd, UMF; and Karen Ouellette, UMFK
Academic Affairs: Marcy Muller, USM; Student Rep., UMPI; and Grad. Student Rep.
Finance/Facilities Student Rep., UM, and Student Rep., UMM

Trustees Ryan Anderson is assigned to Academic Affairs and Trustee William Johnson is assigned to Academic Affairs and Student Affairs.


Interim Chancellor Donald McDowell first asked constituents to vote in favor of the bond issue. Secondly, he thanked President Kalikow for hosting the Board meeting. Thirdly, he reported that the search committees are hard at work on the presidential searches for Augusta and Fort Kent. A search consultant has visited both campuses and presidential profiles will be developed shortly. And lastly, he reported on enrollment for the Fall. He said that overall compared to the Fall of 2000 the System is 453 FTE students over where it was at the same time last Fall, which is a 2% increase. In terms of budget, the System is 594 (2.7%) over the budgeted amount. He then asked the presidents to report on their individual enrollments.

UMM - President John Joseph reported enrollments have increased and the headcount is 1,017, which is the highest in the history of the institution. FTE is up 8%. The increase has come by way of four-year freshmen with an increase of 45% and that, he said, is needed for the long-term health of the university. The environmental programs, which were the branded programs, have doubled, from forty to eighty new students. He also reported that the Child Care Center being built will be finished in December and will be open in January 2002. President Joseph thanked Trustee Sandra Prescott’s organization, the Washington/Hancock Community Association, for helping to get a $40,000 over four
years to help non-tradition students pay for child care when they attend UMM.

UM - President Peter Hoff reported that there is official census date in October when FTEs, among other things, are counted and the headcount came in at 10,700 students, a gain of about 400. In reflecting on the 4-year total, UM was at 9,100 students in the Fall of 1997. The President said that in that four-year period, UM gained what, by Maine standards, would be another university. President Hoff commented that he was sobered at the same time by the losses on campus, such as hockey coach Shawn Walsh and a week later, one of the most distinguished emeritus faculty Richard Emerick. And, a student died in the course of the last month, and the child of one UM’s professors died last week. He said that a personal level it has been a little tough, despite the good news and the overall numbers.

UMPI - President Nancy Hensel reported that first-year enrollment was up 7%. Something the administration has been working very hard on is first-year retention and that is up 3%. The university is down in full-time enrollment for lower division students, but up in part-time enrollment, and the President wondered if that was due to the economy. However, the university is up in enrollment for upper division students, which suggests to the administration that they want a degree to get out to work. The new marketing materials are being used for the class that is being recruited for next Fall and the administration is looking to see the impact it will have. Another change being noticed is the change in certification students, a majority of whom are second-degree students from Canada, the President said there may be some issues there in the decline of the Canadian dollar. She said Canada is also expanding their offerings in teacher education which may also be having an impact. The campus is looking forward to hosting the System-wide Honors Program later in the month.

UMF - President Theo Kalikow reported that Farming has an enrollment cap of 2000 students, who, she said, are very high quality. She said it will even out over the year with the second semester seeing the student population go down a bit. The President said that the campus has been working for several years on “the $2million plan” to increase the number of out-of-state students slightly. The figure is creeping up slowly to 20%. She said the Board heard about UMF Excel the previous evening and it is going very well. The campus has been taken up with response to national events with blood drives, teach-ins, and candlelight vigils. The President said the students, faculty, and staff have all responded very well. And the national impetus to learn more about Islam and the issues in that part of the world is alive and well at UMF. The campus has also been taken up with the bond issue and, she said, as the students say “let’s all promote safe six.”

USM - President Richard Pattenaude reported that USM has had a good Fall and, like everyone, has wrestled with world events and he said he was proud of the thoughtful way the campus community responded. He invited everyone on November 11 to the opening of the Lewiston/Auburn’s renovation and addition. He thanked the Board again for the support of a $3.5million one-time appropriation to increase the capacity of that facility about 30%. He said he is hoping next week to get approval of a bioresearch center, as mentioned in an earlier presentation, in order to start construction. The campus is having a year-long convocation entitled Diaspora: The Meaning of Home. They were honored to open it by the presence of an African Nobel prize-winning poet who came to speak on the campus and seven hundred people attended. In the area of enrollment, it was a record enrollment with 10,966 students. The particularly strong points were record full-time enrollment, a very strong growth of 5,400, SAT scores were up in the undergraduate admissions, and applicants are at a record level. The President said it is interesting that the bottom part of the pool, who are conditional, at-risk non-matriculants, are now starting to move toward the technical colleges as they develop their associate degrees, which allows the university to focus a bit more on traditional, undergraduate students. He mentioned that over the course of a year 16,000 people enroll in for credit courses at USM. The President said that the System serves far more people than is talked about. In non-credit activity, USM
UMA - Interim President Charles Lyons reported that University College centers are up 4.4%. The courses are being offered by the campuses and people are electing to go to University College to take them. ITV instruction is up as well. Asynchronous web-page instruction is also up. An analysis is being done of some web-page and ITV-page instruction to present at the next presidents’ council meeting with the Chancellor on November 15. At UMA, the Chief Financial Officer was projecting 4.5% off last year in enrollment for FTE, credit-hour generation. The administration has been trying to stem the flow of students who register and then leave after registration. With the hard work of staff and people who are loyal to the campus, UMA is coming to within 200 credit hours of the 40,500 generated last year, so that the university was only 6/10ths of one percent off, rather than the 4.5% projected. The President said he is thankful to the employees and students of UMA who made that possible. To give the Board a quick snapshot, the President reported that there is a 5,600 head count, 5,500 in-state, 4,200 who are women, and 51% of the students at UMA are over 31 years of age. The average number of credit hours they carry is 7.2. He said these are people who have other lives besides going to college. The President announced that Hayley Parlin, who had participated on the panel at the Student Affairs Committee earlier is graduating in May twenty years after her high school graduation. President Lyons should that there are many students at UMA like Hayley and that he is proud of them and that UMA is available for them.

UMFK - Interim President Donald Zillman reported that UMFK has also been on an emotional roller coaster like the other campuses due to the September 11 events. A bonfire has been laid to either celebrate the passage of the bond issue, or the president will throw himself on the blaze, so he echoed the Chancellor’s plea to get out and vote. He said university enrollment is up in new students and up in transfer students and he said it was the most diverse class to date. Total credit hours are down due primarily to a conscience decision to sharpen the admission standards for the Canadian students coming into the education program. Three things the president is doing for the remainder of the term is to one, sharpen admissions activities even more; secondly, take a good, hard look at some of the programs to see if they need to grow, the ones that are in a stable state, and where they fit the mission of the institution; and thirdly, development, which for UMFK is a fairly new experience. A new first-year required humanities course is working better than the faculty had anticipated; and, the President said it has been great fun bringing up distinguished faculty from around the System and have them meet with UMFK faculty, students, and community and talk about what research they are doing and what exciting things are on their agenda. Terry MacTaggart is scheduled for the second semester wearing his academic hat.

5. Committee Matters/Action

Academic Affairs. Trustee Wickham Skinner, Chair of the Academic Affairs Committee, reported briefly on presentations heard that morning from UM and USM on Research and Development activities resulting from legislative funds. He said it was an excellent presentation on research, output, patents, and faculty development.

Audit. Trustee Edward Fox, Chair of the Audit Committee, reported on the FY2001 Annual Report. He said it should be noted that it was a clean opinion with no exceptions. He said it should also be noted that the auditors were well satisfied with the internal audit staff who were cooperative and of high caliber. The auditors also pointed out that the presentation of financial statements in the coming year will change to GASB-35 and the statement will no longer reflect fund accounting.

Trustee Fox also reported that an environmental auditor would be hired as a consultant to do an in-
house environmental audit because the System is subject to substantive penalties by the EPA. The point is to an environmentally secure system of campuses that the EPA can categorize as a “low inspection priority”, which will save the System money.

Lastly, Trustee Fox reported that the Committee is recommending that KPMG be chosen to be the external auditor for the coming year. In the past year, the System has spent $110,000 and this year the proposal is an increase of a little over 3% to $114,000, which appears to be reasonable considering the size of the enterprise. An additional $50,000 was spent last year to KPMG in lieu of internal audit assistance in the audit because of staffing issues. It is recommended that approximately that same sum be spent this coming year, but not necessarily to the outside auditors. The money could be better spent by hiring someone inside who could do far more than just provide service to the audit. So, the budget has two component pieces: $114,000 for the external audit and $51,000 for an alternative to the internal audit staff assistant hired in the past. The amount would be up to $51,000 for either someone from KPMG or someone inside the internal audit department.

Trustee Mullen read the motion as follows:

That the Board of Trustees accepts the University of Maine System’s financial statements for fiscal year ended June 30, 2001 and the Audit Committee’s recommendation to appoint KPMG to perform the external audit for the year ended June 30, 2002.

On motion of Trustee Anderson, which was seconded by Trustee Weston, the Board unanimously approved the recommendation.

Finance/Facilities. Trustee John DiMatteo, Chair of the Finance/Facilities Committee, reported that CFO Joanne Yestramski took the Committee through the FY01 Annual Financial Report. He said the financial horizon does not look good with the Governor’s 2% budget cuts, increases in health care costs, after the next five years there will be demographic trends that will be unfavorable, and other challenges ahead. He said the Committee has been working on the aforementioned. Trustee DiMatteo also reported on a well-attended meeting of the Committee and other Trustees on October 2 where they reviewed budget to actual financial results for the year ended June 30, the analysis of financial condition strengths of the balance sheet, and comparisons with other New England land-grant systems. The Committee is now working on what are the proper benchmarks to be looked at for comparison and there are interesting ideas, he said, coming forward to help better understand where things are being done right or wrong. Time was also spent on the proposal for the new budgeting process. The Committee goals are for 1) a better budgeting process; 2) a better financial reporting process; and 3) a multi-year financial plan tied to strategic goals. Trustee DiMatteo said all of those are now underway.

6. Consent Agenda. On motion of Trustee Cyr, which was seconded by Trustee Anderson, the following resolutions were unanimously approved by the Board, as presented:

Creation of a Center on Aging, UM. The Board of Trustees approved the creation of the Center on Aging at the University of Maine.

Awarding of Academic Degrees. The Board of Trustees authorized the awarding of degrees in course for the Fall Commencement 2001 and the Spring and Summer Commencements 2002 to those students fully recommended by the appropriate faculties and the Presidents of the respective institutions and/or divisions of the University of Maine System.

Acceptance of Gifts, Grants, and Awards. The Board of Trustees accepted with gratitude all
gifts, grants and awards received since the last Board meeting.

**Greenland Point Lease, UMM.** The Board of Trustees authorized the long term lease of Greenland Point property in Princeton to the Maine Conservation School, terms and conditions to be determined, subject to review by staff and approval of all legal documents by University Counsel.

7. **Date of Next Meeting.** The next meeting of the Board of Trustees will be held on January 13-14, 2002 at the University of Maine.

On motion of Trustee Mullen, which was seconded by Trustee Weston, the meeting was adjourned.

Sandra F. Johnson for
Mary Ann Haas