

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

at the University of Maine
September 11, 2006

Board of Trustees Meeting

Present: Margaret Weston, Chair; Judith Andrucki, Gregory Cyr, Jean Flahive, William Johnson, Chad Marquis, Paul Mitchell, James Mullen, Charles O'Leary, and Lyndel Wishcamper. **Absent:** James Dowe, Susan Gendron, Charles Johnson, Marjorie Medd, Barry McCrum, and Victoria Murphy. **Chancellor:** Terrence MacTaggart. **Faculty Representatives:** Raymond Albert, Grace Denison, Shallee Page, Robert Rice, and Fred Walker. **Student Representatives:** CJ Bernard, Brian Clark, Michael Emery, and Jeremy Logan. **University Presidents:** Richard Cost, Cynthia Huggins, Theodora Kalikow, Robert Kennedy, Richard Pattenaude, and Donald Zillman. **Chancellor's Staff:** James Breece, Tracy Bigney, John Diamond, Kelley Wiltbank, David Wilson, and Joanne Yestranski. **Press and Public.**

Trustee Weston, Chair, called the meeting to order and welcomed everyone. Due to the 5th anniversary of "9/11", a moment of silence was observed.

Citizen Comment. Citizen Comment is a time regularly set aside for comments from the public. The following people spoke during the citizen comment period:

Lisa Feldman

Acceptance of Minutes. On a motion by Trustee William Johnson, which was seconded by Trustee Mullen, the minutes from the following meetings were unanimously approved as presented:

May 22, 2006 – Investment Committee Meeting

June 21, 2006 – Trustee Affairs Committee Meeting

July 10, 2006 – Board Committee Meetings and Board of Trustees Meeting

Chair's Agenda and Report. Trustee Weston congratulated Trustee Marquis on being a new father.

Chancellor Search Update – Trustee Weston announced the members of the Chancellor Search Committee: Trustee Margaret Weston, Chair, Trustee Barry McCrum, Trustee Marjorie Medd, Trustee Victoria Murphy, and Trustee Charles O'Leary. There will also be a member of the faculty representatives and the student representatives on the search committee. It is anticipated that a new Chancellor will be selected by late January 2007 with a start date of July 2007.

Trustee Weston and Chancellor MacTaggart recently visited UMFK and UMPI to gather input on the role of the Chancellor. Trustee Weston commented that it was a pleasure to see the enthusiasm and energy on the UMFK campus and the community and commented President Cost for his dedicated leadership. She had the pleasure of introducing Dr. Donald Zillman to the UMPI campus community.

Resolution Regarding Taxpayer Bill of Rights (TABOR). Chancellor MacTaggart outlined the three consequences if TABOR passes: there would be a shrinking of the University of

Maine System resulting in fewer programs, faculty and staff and less services for students; it would also deprive Maine of the most critical tool of investing in the economy of the future which is the capacity to use higher education to prepare higher skilled and broader educated work force; and TABOR would add political complexity to both the Appropriations for the System and the province of this Board to vote on tuition and fee changes.

The Board of Trustees approved the following resolution:

Whereas, the University of Maine System was established to promote and provide educational opportunities and economic growth through teaching, research, and public outreach and services; and

Whereas, the University of Maine System is governed by a citizen Board of Trustees charged with ensuring -- through long-term planning, fiscal management, stewardship and accountability -- that Maine's public universities provide the programs and services needed to serve the interests of Maine and its people; and

Whereas, the University of Maine System is funded primarily through State appropriation and student tuition and fees; and

Whereas, Maine voters will be asked on November 7, 2006, to approve or reject "An Act to Create a Taxpayer Bill of Rights," a citizen-initiated proposal which, if enacted, would limit the growth in state and local government expenditures; and

Whereas, the proposal, commonly known as TABOR, would limit any increase in State and local spending by applying a funding formula based on annual rates of population growth plus a consumer-inflation factor; and

Whereas, should this proposed law pass, any exception to the spending limit would first have to be approved by a two-thirds majority of both the Maine House of Representatives and the Maine State Senate and subsequently approved by a majority of Maine voters in a public referendum; and

Whereas, TABOR would place certain restrictions on the State's prerogative to invest in higher education as a policy action and/or economic development tool; and

Whereas, TABOR's procedural mandates would interfere with the State's ability to authorize, in a timely manner, matching funds to help Maine's public universities qualify for certain federal and private grants, including those related to workforce retraining, research and development, entrepreneurship, and economic development; and

Whereas, under State law, the University of Maine System Board of Trustees has a responsibility to support and enhance the System and its mission; to provide sound financial management of the System; to exercise prudent stewardship of the System's assets; plan strategies for programs and allocations that most effectively serve the needs of the State; to develop and maintain public accountability; and to visibly advocate the important role that higher education plays in strengthening the economy and communities of the State; and

Whereas, TABOR's language specifically states that it is intended to apply to "quasi-state agencies," i.e., entities that have independent legal status but for which the State is financially accountable; and

Whereas, the University of Maine System is defined in the TABOR proposal as a "quasi-government agency," and, therefore, would be subject to the TABOR provisions; and

Whereas, serious legal and procedural questions exist about whether TABOR would restrict the University of Maine System's ability to fulfill its afore-stated statutory and programmatic purposes; and

Whereas, adoption of TABOR would result in the shift of certain decision-making responsibilities, such as budget matters, to the broad political arena – i.e., where university and other higher education budgets would be decided in statewide referenda; and

Whereas, the funding formula established in the TABOR proposal would impose long-term reductions in the University System's base funding should its universities experience a one-time reduction in student enrollment, regardless of the cause of the drop; and

Whereas, TABOR also would affect the UMS Board of Trustees' ability to set, within TABOR's statutory parameters, tuition and fee levels at what the Board believes would be needed to ensure quality programs and services and to maintain accessibility and affordability; and

Whereas, TABOR would require that the above-stated tuition and fee levels be approved by a two-thirds vote of both the Maine House of Representatives and the Maine State Senate before such changes could be implemented; and

Whereas, TABOR would require new political and procedural actions that would affect the University System's current ability to respond promptly to institutional or public exigencies, such as sudden economic changes, financial crises, or natural disasters; and

Whereas, TABOR's provisions, as written, would create instability and cause uncertainty and delays in the planning and budgeting process, affecting students and all other university constituencies; therefore

Be it resolved that we, the University of Maine System Board of Trustees, expresses its deepest concern regarding the negative impact that the proposed Taxpayers Bill of Rights would have on the people of Maine, particularly the students, businesses, industries, organizations, communities, and individuals served through university-related teaching, research, and public service outreach; and

Be it resolved that we, the Board of Trustees, also formally expresses to the public the Board's most serious concern that the proposed Taxpayer Bill of Rights could have far-reaching, negative consequences on the University of Maine System's quality, affordability, and accessibility; and

Be it resolved that we, the Board of Trustees, believe strongly that those potential consequences would dilute the many opportunities and benefits that the University of Maine System provides the people of Maine and thus would seriously jeopardize Maine's economy and quality of life.

On a motion by Trustee William Johnson, which was seconded by Trustee O'Leary, the Board approved the Resolution regarding the Taxpayer Bill of Rights, as presented.

Chancellor's Report. Chancellor MacTaggart explained what has been referred to as the System Services Operational Audit. The purpose of the audit is for the UMS to be accountable to the citizens of Maine by ensuring that the University System Office is functioning efficiently and appropriately. The goal is to evaluate the full set of System Services and reduce costs. The aim is not to impose across-the-board cuts; and it is conceivable that some programs may expand. The UMS FY2006 total operating budget is \$600 million. Of this amount \$22.3 million or 4% represents the System Services' budget. The guiding principals for the audit are:

Fair: no preconceived notions

Open: transparent

Participatory: units have input

Timely: to be conducted during Fall 2006

Common sense: data and logic driven

Chancellor MacTaggart suggested that each time the Board of Trustees meet at a campus, he would like to give the President there the opportunity to provide brief remarks on the vision of the campus. As a result President Kennedy provided an update on UMaine.

Update on Direction and Vision at UMaine. President Kennedy provided an “Update on Direction and Vision at UMaine”. The UMaine marketing materials use the slogan “at UMaine you are in a great place”. This year UMaine welcomed 2000 first year students which is the largest class of Maine high school graduates in UMaine’s history. This is an increase of 7% over last years’ class. The incoming class also included a 19% increase in out-of-state students. The first 12 students were welcomed in the new Graduate School of Biomedical Science. The campus is in transition with the construction of Wells Conference Center and the dining facilities as well as the new student recreation center scheduled to open next year. Other initiatives on campus include the Wellness Program, the new Student Innovation Center, the Comprehensive Fund Raising Campaign, Wes Jordan Center, and the Bank of America gift of the Hutchinson Center.

Other part of the vision of UMaine is to focus on faculty excellence. UMaine has some of the world’s leading experts in critically important areas for our economy and society at UMaine. Some of these experts include Hemant Pendse, a Chemical Engineer who is a world expert in biofuels; Rosemary Smith, Mike Manson and Darrell Donahue who are doing cutting edge biomedical research; and some of the most well known are UMaine’s work in the areas of wood composites and climate change.

President Kennedy stated he was equally proud of the students who are the most important focus at UMaine. An example is Kelly Dorgan, a Ph.D. student who is about to be named to Popular Science Magazine’s “Brilliant 10” list, highlighting the brightest young scientists from the U.S. A five-person student team from UMaine recently won first place in a national food development competition for a snack called YoBon Berry Bites – frozen blueberry yogurt covered in dark chocolate. The UMaine student-athletes had a great year where 17 of the 19 varsity sports competed in post season play.

Another goal UMaine would like to achieve is to be included as one of the top 50 public universities in the country. Other parts of the UMaine vision include several academic reorganizations which will have both programmatic and fiscal advantages and they will continue to look for efficiencies in the operation of the physical plant.

Committee Reports/Action.

Academic Affairs and Student Affairs Committees – Trustees Andrucki and William Johnson reported that the Committees met jointly to review the roles and responsibilities for the Academic Affairs and Student Affairs Committees. A list of topics was developed for agenda items for the year.

Finance/Facilities Committee – Trustee Cyr reported that the Committee recommended approval of the Biennium Request for 2008-2009, the FY2006 Annual Report on Gifts and Fund Raising, and the UMA Renovation to Camden Hall at UCB. The proposed revisions to Board of Trustees Facilities Policies sections 801 and 802 were discussed and will be brought back to the Board for additional revisions. The Committee received updates on the status of

construction projects, Energy and the Rotary at UCB. The Committee was provided a presentation on the creation and use of a 501 (c)(2) to hold System property for economic development. The Committee was also provided an update on Project Enterprise and the Pension and Endowment Annual Report.

Human Resources and Labor Relations Committee – Trustee Flahive reported that the Committee agreed to forward to the consent agenda the approval of a Collective Bargaining Agreement with ARFUM, the ratification of the appointment of the President at UMPI and the following Appointments for Trustee Approval:

Edward N. Ashworth, Dean, College of Natural Sciences, Forestry, and Agriculture and Professor of Plant, Soil and Environmental Sciences, with tenure, UM

James H. Breece, Vice Chancellor for Academic and Student Affairs, UMS (one year appointment)

The Committee received a presentation on the Group Health Insurance Contract Renewal and discussed the defining of the Human Resources and Labor Relations Committee agenda for 2006-2007.

Consent Agenda. On a motion by Trustee Cyr, which was seconded by Trustee William Johnson, the following recommendations were unanimously approved by the Board.

Confirm New Graduate Student Representative to the Board of Trustees from USM. The Board of Trustees confirmed the appointment of Brian Clark as the Graduate Student Representative to the Board of Trustees from USM.

Approval of Collective Bargaining Agreement. The Board of Trustees authorized the Chancellor to execute the collective bargaining agreement with the Associated Faculties of the University of Maine System, MEA/NEA, upon receipt of notice of ratification.

Ratification of the Appointment of President at UMPI. The Board of Trustees ratified the appointment of Donald Zillman as President of the University of Maine at Presque Isle for a two-year term effective September 1, 2006.

Appointments for Trustee Approval. The Board of Trustees approved the appointments to a position at or above the level of Dean or equivalent as recommended by the Chancellor, as follows:

Edward N. Ashworth, Dean, College of Natural Sciences, Forestry, and Agriculture and Professor of Plant, Soil and Environmental Sciences, with tenure, UM

James H. Breece, Vice Chancellor for Academic and Student Affairs, UMS (one year appointment)

Biennium Request for 2008-2009. The Board of Trustees approved the FY2008-2009 Biennium Request.

FY2006 Annual Report on Gifts and Fund Raising. The Board of Trustees accepted with gratitude all gifts, donations, and bequests received during Fiscal Year 2006.

University of Maine at Augusta: Renovation to Camden Hall at University College of Bangor. The Board of Trustees approved the use of \$300,000 in UMA E&G funds to renovate space in Camden Hall at UCB, in coordination with State bond funded renovations by UM.

Information Items. The following items were included in the agenda for information only:
Group Health Insurance Contract Renewal

Defining Human Resources and Labor Relations Committee Agenda 2006-2007
Student Perspective on Retention Issues and Strategies
Roles and Responsibilities for the Academic Affairs and Student Affairs Committees
Facilities Information Update: Construction Status Report, Energy Update,
Presentation on the creation and use of a 501 (c)(2), and Update on Rotary at UCB
Update of Project Enterprise and Other CFO Updates
Academic Degree Program Inventory
Pension and Endowment Fund Annual Report
Agenda Calendar

Date of Next Meeting. The next meeting of the Board of Trustees will be held on November 5-6, 2006, at the University of Maine at Machias.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk