

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

at the University of Southern Maine – Gorham Campus
January 11, 2009

Committee of the Whole Meeting

Present: Lyndel Wishcamper, Chair; James Dowe, Jean Flahive, Norman Fournier, Tamera Grieshaber, Krisandra Horn, Charles Johnson, William Johnson, Marjorie Medd, and Victoria Murphy. **Chancellor:** Richard Pattenaude. **Faculty Representatives:** Raymond Albert, Terry Colby, Harold Jones, Jerry LaSala, Shallee Page, Bertram Jacobs, and Robert Rice. **Student Representatives:** Marie Follayttar, Kenneth Hoyt, Cynthia Nesbit, Catherine Siegel, Charles Weiss, and Ross Wolland. **University Presidents:** Selma Botman, Richard Cost, Allyson Handley, Cynthia Huggins, Theodora Kalikow, Robert Kennedy, and Donald Zillman. **System Staff:** James Breece, Kelley Wiltbank and Rebecca Wyke.

Absent: Susan Gendron, Barry McCrum, Paul Mitchell, Wayne Newell and Charles O'Leary.

Trustee Wishcamper called the meeting to order and welcomed everyone.

Executive Session

On a motion by Trustee Fournier, which was seconded by Trustee William Johnson, the Committee of the Whole agreed to go into Executive Session under provisions of 1 MRSA Section 405 6A & 6C for the purpose of discussing personnel reassignment and duties and labor contracts and upcoming negotiations between UMS and the employee labor unions.

On a motion by Trustee Fournier, which was seconded by Trustee William Johnson, the Committee of the Whole concluded Executive Session.

On a motion by Trustee William Johnson, which was seconded by Trustee Medd, the Committee of the Whole agreed to forward the Honorary Degree Nominations for 2009 as presented to the consent agenda for action.

On a motion by Trustee William Johnson, which was seconded by Trustee Murphy, the Committee of the Whole agreed to forward the Honorary Degree Nominations for 2010 as presented to the consent agenda for action.

Chair's & Chancellor's Comments. Trustee Wishcamper, Chair, and Chancellor Pattenaude welcomed everyone and thanked President Botman and the staff of University of Southern Maine for hosting the Board meeting.

Confirm Student Representative to the Board of Trustees. President Robert Kennedy presented the nomination from the University of Maine for appointment as student representative to the Board of Trustees:

Student Representative:

Ross Wolland – UM (finishing the term of Chelsey Everest until May 2009)

On a motion by Trustee William Johnson, which was seconded by Trustee Medd, the Committee agreed to forward the nomination to the consent agenda for action.

Action Plan for Seeking Financial Sustainability. Chancellor Richard Pattenaude discussed the current financial environment for the University of Maine System. Continually rising costs, declining demographics and a prolonged recession ignited by a global financial crisis have created a non-sustainable financial environment for the University of Maine System. In recognition that the State is not in a financial position to assist the University of Maine System and that double digit tuition increases are not affordable for Maine households and their students, the Board of Trustees requested that the Chancellor and the seven university presidents recommend actions and processes to establish long-term financial sustainability for the University System.

As a result the Chancellor and Presidents have developed an action plan for financial sustainability, entitled *New Challenges, New Directions: Achieving Financial Sustainability*. The UMS must close a long-term structural financial gap between revenues and expenses that undermines its fiscal sustainability. The underlying factors and assumptions that impact the financial sustainability include declining high school graduates; no expectation of growth in state revenues or level of support; rising costs in energy, health care, technology, salaries and wages; impact of our investment income due to the fiscal crisis; flat enrollments; and the need to control tuition increases. With the above assumptions, the four year total savings needed to balance the UMS operating budget is \$42.8 million. The proposed approach to the structural gap will start immediately with a process to begin implementation of System-wide delivery of selected services, where appropriate, utilizing technology and the power of the PeopleSoft software MaineStreet; review academic programs for viability, duplication, and efficiency; and charge a broad-based Task Force to assess and recommend new, transformative ways to organize the structure and work of the System with a report due by June 2009. The change model will be focused in three Arenas of Action: Arena 1 – administrative, student and financial services; Arena 2 – academic programs and services; and Arena 3 – structure and governance. The timeline for the overall work is outlined below:

- January 2009: Board of Trustee action on the multi-year action plan
Form Task Force (Arena 3)
Initiate action in Arenas 1 and 2
- Feb-May 2009: Task Force consults and gathers information
Ongoing consultation and implementation in Arenas 1 and 2
- June 2009: Task Force submits report to Chancellor
Progress reports from Arenas 1 and 2
- July 2009: Chancellor and Presidents submit report and recommendations to Trustees
- September 2009: Trustees action on recommendations

Chancellor Pattenaude summarized by stating transformational change is imperative and the work has great urgency. The process will be open, transparent, and flexible with a goal of

financial sustainability. The opportunity is to craft our universities in new ways to ensure the continued capacity to meet the evolving knowledge, resources, public service, and educational needs of Maine's people, businesses, and communities.

Trustee Wishcamper stated that under the UMS Bylaws, Article IV, section 4.6 that in the event a Trustee cannot be physically present when prevented by a serious medical condition, the Chair may authorize the Trustee's participation by telephone, Polycom or similar technology and the Trustee may count toward a quorum and permitted to vote. As Chair, Trustee Wishcamper authorized on the record Trustee Charles O'Leary to be allowed to participate by telephone pursuant to the Bylaw.

On a motion by Trustee William Johnson, which was seconded by Trustee Medd, the Committee of the Whole agreed to forward to the consent agenda endorsement of the Chancellor's multi-year action plan entitled *New Challenges, New Directions: Achieving Financial Sustainability* and authorized him to immediately begin implementation and provide regular progress reports at Board meetings.

On a motion by Trustee Flahive, which was seconded by Trustee Murphy, the Committee of the Whole agreed to amend the endorsement of the Chancellor's multi-year action plan to include an additional faculty representative to the Board of Trustees and an additional Trustee to the current Task Force membership

Ms. Marie Follayttar, student representative from USM raised a concern that during this financial crisis the campuses will likely not have the ability to build campus reserves and the deferred maintenance will continue to increase. Chancellor Pattenaude commented that the Task Force will be addressing the campus reserves issue as well as deferred maintenance.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk