

UNIVERSITY OF MAINE SYSTEM  
Board of Trustees Meeting

at the University of Maine System  
July 13, 2009

**Committee of the Whole Meeting**

**Present:** Lyndel Wishcamper, Chair; Eleanor Baker, James Dowe, Jean Flahive, Norman Fournier, Kevin McCarthy, Barry McCrum, Marjorie Medd, Paul Mitchell, Victoria Murphy, and Charles O'Leary. **Chancellor:** Richard Pattenauade. **Faculty Representatives:** Raymond Albert, Bert Jacobs, Harold Jones, and Robert Rice. **Student Representatives:** Rebecca Dyer, Cynthia Nesbit, Julie-Ann Scott, Dustin Ward, and Charles Weiss. **University Presidents:** Selma Botman, Richard Cost, Allyson Handley, Cynthia Huggins, Theodora Kalikow, Robert Kennedy, and Donald Zillman. **System Staff:** Tracy Bigney, James Breece, Ralph Caruso, Ed Dailide, John Diamond, Tracy Elliott, Frank Gerry, Rosa Redonnett, Kelley Wiltbank and Rebecca Wyke.

**Absent:** Susan Gendron, Tamera Grieshaber, Krisandra Horn, William Johnson, and Wayne Newell

Trustee Wishcamper called the meeting to order and welcomed everyone.

**Executive Session**

On a motion by Trustee Murphy, which was seconded by Trustee Medd, 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 McCrum, which was seconded by Trustee Flahive, the Committee of the Whole concluded Executive Session.

**Confirm Faculty and Student Representatives to the Board of Trustees.** Trustee Fournier reviewed the following nominations for faculty and student representatives recommended by the Presidents:

Faculty Representative:

Raymond Albert, UMFK (reappointed for a two year term)

Terry Colby, UMA (reappointed for a two year term)

Student Representatives:

Summer Meredith, UMM (two year term)

Dustin Ward, USM (two year term)

On a motion by Trustee Fournier, which was seconded by Trustee Baker, the Committee of the Whole agreed to forward the recommendation to the consent agenda for action.

**Resolution for Exclusion of Certain Directors or Officers.** Trustee Fournier explained this resolution is an annual standard Department of Defense resolution for exclusion of certain directors or officers for UM to work on government projects. The Resolution is as follows:

Whereas, current Department of Defense directives contain a provision making it mandatory that the Chair of the Board and all principal officers (such as President, Senior Vice President, Secretary, Treasurer, and those occupying similar positions) meet the personnel security clearances requirements established for a contractor's facility security clearance; and

Whereas, said Department of Defense Regulations permit the exclusion from the personnel clearance requirements of certain members of the Board of Trustees and other officers, provided that this action is recorded in corporate minutes.

Now Therefore Be it Declared that the Chair of the Board, at least an official quorum of the Board of Directors (the executive committee of six members of the Board of Directors), and all principal officers (such as, President, Senior Vice President, Secretary, Treasurer, and those occupying similar positions) at the present time do possess, shall be excluded from or shall be processed for, the required security clearance; and

Be It Resolved that in the future, when any individual enters upon any duties as Chair of the Board, as a replacement for one of the cleared quorum of the Board, or as one of the principal officers of this corporation (such as President, Senior Vice President, Secretary, Treasurer, and those occupying similar positions), unless excluded such individual shall immediately make application for the required security clearance; and

Be It Resolved Further that the following members of the Board of Trustees, newly appointed Trustees, and other officers shall not require, shall not have, and can be effectively excluded from access to CLASSIFIED information in the possession of the University and do not occupy positions that would enable them to affect adversely University policies of practices in the performance of classified contracts for the Department of Defense or the User Agencies of its Industrial Security Program: Eleanor M. Baker, P. James Dowe; Jean M. Flahive; Norman L. Fournier; Susan A. Gendron; Tamera L. Grieshaber; Krisandra A. Horn; William D. Johnson; Kevin P. McCarthy, Barry D. McCrum; Marjorie Murray Medd; Paul J. Mitchell; Victoria M. Murphy; Wayne A. Newell; Charles J. O'Leary; Lyndel J. Wishcamper; Chancellor, Richard Pattenaude; Vice Chancellor for Finance and Administration and Treasurer, Rebecca Wyke; and Clerk of the Board, J. Kelley Wiltbank.

On a motion by Trustee Fournier, which was seconded by Trustee McCrum, the Committee of the Whole agreed to forward the recommendation to the consent agenda for action.

**Trustee Affairs Committee Proposed Changes to Board Policy 206 – Conflict of Interest.**

Trustee Fournier explained the proposed changes to Board of Trustees Policy 206 – Conflict of Interest. The proposed changes expand and clarify the definitions of conflict of interest for Trustees. The major change is the following statement: *“Except to fill a temporary vacancy in a position on an interim basis, a Trustee may not seek or hold a position in the University of Maine System prior to one year following the end of their service as a member of the Board.”*

On a motion by Trustee Fournier, which was seconded by Trustee Murphy, the Committee of the Whole agreed to forward the recommendation to the consent agenda for action.

**Appointments for Trustee Approval.** The Chancellor recommended the following appointments to positions at or above the level of Dean or equivalent or with tenure:

- Krista Manning Smith Meinersmann, Director of School of Nursing and Associate Professor of Nursing, with tenure, USM
- John M. Rebar, Executive Director for Cooperative Extension, UM
- Rosa S. Redonnett, Executive Director of Student Affairs, UMS
- Susan A. Picinich, Interim Dean of the College of Arts and Sciences, USM

On a motion by Trustee Fournier, which was seconded by Trustee McCrum, the Committee of the Whole agreed to forward the recommendation to the consent agenda for action.

**Appointment of Standing Committees.** Trustee Wishcamper confirmed Board Committee and Special Assignments for fiscal year 2009-2010.

**Reports from Arenas 1, 2 and 3 of the New Challenges/New Directions Initiative.**

Chancellor Pattenaude introduced the New Challenges/New Directions Initiative. In Fall 2008, in response to the financial challenges facing the University of Maine System, the Board of Trustees asked the Chancellor to work with the Presidents and the System Senior Staff to prepare recommendations for achieving fiscal sustainability. The response was the New Challenges/New Directions document (January 2008) that called for analysis and recommendations in three arenas of action and to report on that work at the July 2009 Board of Trustees meeting.

Presentations were provided by the leader of each of the three arenas as follows and the timetable for next steps was presented by Chancellor Pattenaude.

**ARENA 1: ADMINISTRATIVE, STUDENT AND FINANCIAL SERVICES**

Ms. Rebecca Wyke, Vice Chancellor of Finance and Administration and Treasurer, presented a summary of the report and the recommendations for Arena 1.

The administrative, student and financial services support the core academic mission of our seven universities and perform many of the compliance and accountability functions on behalf of the Chancellor and the Board of Trustees to allow them to fulfill their governance obligations. Ensuring the most effective and efficient delivery of these services was the work of Arena 1.

The Chief Financial Officers served as the Arena 1 oversight committee and engaged the campus and System level leaders in information technology, finance, facilities, procurement, human resources, student services, and more through workgroups. The emphasis of the work was on controlling costs, including those related to compensation and benefits, by harnessing economics of scale, with a dual focus of enhancing services to students. The summary of Arena 1 recommendations are as follows:

**System-wide Services**

To continue with the current array of services because they are needed to support our universities. The creation of an Advisory Council with representation from all seven campuses to provide guidance and customer input. The support for System-wide Services should be through State Appropriations or other resources and not billed to the campuses.

**Information Technology**

Adopt a Hybrid Information Technology consolidation model, but continue to explore opportunities for further consolidation. Create an Information Technology Advisory Group to provide for academic customer input in information technology management. Implement an Enterprise Resource Planning Competency Center to ensure implementation and maintenance of critical information technology applications across the System.

**Finance & Accounting**

Work as a System in implementing new technology and business process in order to gain economies of scale. Engage in a review of the current tuition waivers to determine continued relevance and ensure UMS is the payer of last resort which will require Board of Trustees action.

### Facilities Management

Update the policies and practices and replace the existing outdated information management system. Employ an energy management service to secure additional savings, particularly in procurement.

### Human Resources and Workforce Management

Improve the efficiency of human resource delivery through information technology and adopt a Center of Expertise model of human resources and equal opportunity to leverage campus expertise. Accelerate implementation of payroll automation and implement wellness incentives, disease management and use of quality care. Contain the cost of compensation and benefits, which constitutes 74% of the UMS E&G operating budget. Limit future compensation to availability of ongoing revenue. Engage in a benefits redesign.

### Student Services Delivery

Continue to work to identify opportunities for efficiencies through shared processing and proceed with implementation of share processing for immunizations, Native American waivers and Stafford exit interviews. Develop a robust front-end portal and virtual self-service center for students and faculty. Complete implementation of the campus one-stop service for students and reevaluate staffing needs. Meet the needs of the multi-campus student in delivery of distance education.

### Revenue Enhancement

The UMS leadership must play a role in coordinating our universities to meet the needs of the State of Maine. Conduct a campaign to promote public education and its link to our economy and Maine's future. Leverage academic and financial resources across the System to develop an enrollment strategy. Recruit non-traditional students and ensure auxiliary operations pay for themselves.

### Summary of Savings

The Arena 1 savings compilation for FY10 would be from \$19.9 to \$20.7 million, for FY11 from \$29.5 to \$31.1 million, FY12 from \$30.2 to \$32.0 million and FY13 \$30.0 to \$32.0 million. Additional savings can be achieved through a Hybrid Information Technology model and a Procurement Strategic Sourcing.

## **ARENA 2: ACADEMIC PROGRAMS AND SERVICES**

Dr. James Breece, Vice Chancellor for Academic Affairs, presented a summary of the report and recommendations for Arena 2. The following are the recommendations from the Chief Academic Officers resulting in an estimated annual financial impact of \$8 to \$10 million in savings/revenue over the next four years.

### Recommendation 1: Undergraduate Courses With Enrollment of 12 or Fewer

Each semester, the Chief Academic Officers (CAOs) will analyze all course offerings to ensure savings are achieved with better curriculum management, and submit their findings and actions to the Vice Chancellor for Academic Affairs (VCAA) for review on an annual basis. The cost savings already found by the CAOs show the value of performing these checks on a regular basis as part of the academic scheduling process. The significant drop in the percentage of courses that ran with 12 or fewer students was a direct result of this review, and the continuation of this review will lead to ongoing savings. In addition, the VCAA and CAOs have established a target

setting the percentage of courses with 12 or fewer students as 25% of the total courses offered, with a long-term goal of working towards 20% or below by 2013 with variations based on mission and program mix. The VCAA and CAOs will develop appropriate, mission-specific criteria to expand the review process to graduate offerings. The estimated savings will be \$2 million per year using FY '09 as a base. These savings would be ongoing and are expected to grow with more sophisticated approaches to course scheduling and collaboration; and as the universities move to the long-term goal of 20%.

#### Recommendation 2: Undergraduate Programs With Five or Fewer Graduates

Academic undergraduate degree programs will be reviewed on a regular basis. The programs found to have five or fewer graduates based on a three-year rolling average will be given three years to:

- Increase the number of graduates
- Grow enrollment to significant levels meeting state-wide need and interest
- Collaborate with other system universities as a means to increase enrollment and/or maintain enrollment with fewer resources
- Justify need and/or cost to benefit ratio for:
  - Courses that contribute to economic development
  - Courses in STEM disciplines and world languages
  - Profitability

The VCAA and the CAOs will annually review programs with five or fewer graduates. If an academic program under review does not increase the number of graduates or students enrolled in the program, it may require reconfiguration, collaboration, or elimination under the normal shared-governance process established at the universities. This review will provide guidance for the work of Recommendation 3, which is where most of the savings will emerge. The VCAA and CAOs plan to expand the degree review process to look at graduate offerings. The estimated savings will accrue in Recommendation 3.

#### Recommendation 3: Student-Faculty Ratio Scenarios

The universities will adjust their student-faculty ratios by 2012 to their peers using which approach works best at their university, with consideration given to each university's specific mission. The CAOs will submit annual reports to the VCAA on the progress toward meeting those targets. Not all of the universities are currently below their peer averages. UMA and UMFK are above their peer average, and UMPI matches their peers. The projected savings in this recommendation are found at the remaining universities. The estimated financial impact will be \$6 to \$8 million in savings/revenue by 2012. These savings will be ongoing.

#### Recommendation 4: Enrollment Targets

It is difficult to assess realistic total enrollment targets given uncertainties about the economy, growing competition from out-of-state institutions and the community colleges, demographic declines, and the zero-sum nature of much admissions competition. Despite these uncertainties, the VCAA and CAOs have examined the implications should each university succeed in returning to its peak enrollment during the past six years. These enrollment numbers would need to be achieved primarily through efforts to increase the:

- number of high school students going on to college
- percentages of students staying in-state
- numbers of adult learners enrolled in UMS programs
- number of out-of-state-students enrolled in UMS programs

- retention rates at UMS campuses

If the universities are able to return to recent institutional high points, an increase of 5.8% in student FTEs, this could lead to as much as \$9.2 million in additional revenue system-wide. These increases are not in the summary total above.

#### Recommendation 5: Graduation Targets

Universities will establish degrees conferred scenarios recognizing the challenges in enrollment growth, and the difference in student bodies of residential full-time students versus part-time non-traditional students. The scenario of a five percent increase in both categories is summarized in Exhibit 5. This recommendation reaffirms and builds upon the goals outlined in the Agenda for Action. The financial impacts of reaching those goals are included in Recommendation 4.

#### Recommendation 6: Distance Education

The University of Maine System will expand use of coordinated distance education programs and courses made available via technology. This will increase overall system enrollment, increase opportunities for collaboration between academic programs that result from the 12/5 analysis (review of courses with 12 or fewer enrolled students and programs with five or fewer graduates annually), and increase the number of graduates in essential disciplines such as Science, Technology, Engineering and Math and World Languages. Increasing the number of offerings through distance education will make the increased collaboration suggested in Recommendations 2 and 3 possible. The estimated revenue will accrue in Recommendations 2, 3, 4, 5.

### **ARENA 3: STRUCTURE AND GOVERNANCE**

Mr. David Flanagan, Chair of the New Challenges/New Directions Task Force, presented a summary of the report and recommendations for Arena 3.

The key areas Mr. Flanagan discussed were as follows:

The UMS can no longer respond by simply raising prices to make up for missing students. It needs to address the growing competition, and to fulfill the UMS mission to the people of Maine, it needs to have a vision for the future. That vision should consist of the UMS serving a truly Public Agenda to outline what is needed from higher education, including encouraging access to facilitate Maine reaching the goal of achieving educational attainment levels equal to the New England average by 2020; assuring that public education is affordable; and matching the skills and knowledge taught at the University with the needs of the Maine economy as a global competitor. The UMS needs to mobilize its resources to actually achieve these objectives, rather than relegating them to a rhetorical limbo.

A new Business Model is recommended for delivering higher education to the people of Maine more efficiently with the following characteristics:

- UMS is a one half billion dollar a year enterprise, and deserves a leadership structure and business plan worthy of a such a major organization;
- UMS should act as a coordinator whole-as a system;
- The various components should play differentiated, but complementary roles – in admissions, academics, finance and support services;

- The units of the System need to reduce, on a firm timetable with quantified targets, duplications in offerings, low enrollment programs, and to substitute Distance Education where appropriate in our low density state;
- An honest commitment to tackling and resolving promptly the barriers to accessibility, including transferability of credits; common registration and financial aid protocols; common calendars; and complementary admissions and financial aid standards.
- Use price and financial aid, not as stop gap measure, but as conscious tools to accomplish objectives in recruitment, retention, and areas of specialization.
- Use funding to promote achievement of the Public Agenda, innovation, nimbleness and incentivization of superior performance and systematic decision-making.

Adjournment.

Ellen Doughty for  
J. Kelley Wiltbank, Clerk