Trustee Fournier, Chair, called the meeting to order and welcomed everyone.

Financial Update. Ms. Rebecca Wyke, Vice Chancellor for Finance and Administration and Treasurer, provided a financial update on the following items.

Investment Performance - Flash Reports
In November the Operating Fund grew by 0.4% and fiscal year-to-date through November 30th the fund has grown by 4.3%. In November the Managed Investment Pool, which includes the Endowment Fund, grew by 3.3% and the market value of the Fund was $144.1 million. In November the Pension Fund grew by 2.9% and the market value of the Pension Fund was $45.5 million.

Update of FY10 New Challenges, New Directions Savings Targets
The current multi-year plan projects an $18 million gap in FY10. The savings targets are as follows:

- **University/SWS Savings** $11.5 million – The UMS has implemented strategic cuts to balance the FY10 budget and these initiatives are on target.
- **Workforce Management** $6.5 million – The UMS has already implemented $3.8 million of the $6.5 million target to date through agreements with four of the bargaining units. If the AFUM agreement is ratified, the total will be $6.4 million.
- **Hybrid IT Model and Other Savings** $0.9 million – This initiative was delayed until September to facilitate the Technology Committee review. The delay may impact the ability to achieve the full $900 thousand savings target for FY10.
- **Finance and Accounting/Waivers** $0.4 million – The Touchnet convenience fee solution has been implemented at UMF, UMM and USM and is on target to achieve the estimated $350 thousand. The Board of Trustees reviewed the tuition waivers at the November meeting and moved forward $700 thousand in cost savings out of a possible $860 thousand for FY11.
- **Strategic Procurement** $0.6 - $1.1 million – The implementation of strategic sourcing is in progress and on target to achieve $600 thousand in savings. The upper end of savings, representing $1.1 million, requires implementation of the Enterprise Procurement Model. The Shared Services Advisory Council endorsed the technology investment at their November 2nd meeting.
• **Review of Low-Enrolled Courses** $1.0 million – The implementation is underway and is on target to achieve the proposed savings.

**FY10 & FY11 Financial Planning Timetable**
The next financial forecast is scheduled for the March Board meeting and will be current as of the end of February. The campuses are working on the budget preparations for FY11 and Board of Trustee approval of the FY11 budget is scheduled for the May Board meeting.

**FY10 Curtailment and FY11 Supplemental Budget**
The FY10 Curtailment was announced on November 20, 2009. The final curtailment for the UMS in FY10 is $5,970,065, $1.5 million below the original target of $7,470,065. The Governor’s Supplemental Budget for FY10 and FY11 includes both the actual FY10 curtailment, as well as a proposed reduction for FY11. The proposed reduction for the UMS in FY11 is $6,031,087, $1.5 million below the original target of $7,531,087.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk