

UNIVERSITY OF MAINE SYSTEM

Board of Trustees

University of Maine System

December 5, 2005

Board of Trustees Meeting

Present: Charles Johnson, Chair; Gregory Cyr, James Dowe, Jean Flahive, William Johnson, Chad Marquis, Barry McCrum, Marjorie Medd, Paul Mitchell, James Mullen, Victoria Murphy, Charles O'Leary, Margaret Weston and Lyndel Wishcamper. Absent: Judith Andrucki and Susan Gendron. Chancellor: Joseph Westphal. Faculty Representatives: Raymond Albert, Terry Colby, Grace Denison, Gerard NeCastro, Robert Rice, and Fred Walker. Student Representatives: Rob Dean, Leah Malave, Benjamin Meiklejohn, Aaron Robinson, and Zachary Smith. University Presidents: Karl Burgher, Richard Cost, Cynthia Huggins, Theodora Kalikow, Robert Kennedy, Richard Pattenau, and Richard Randall. Chancellor's Staff: James Breece, John Diamond, Frank Gerry, Elsa Nuñez, Kelley Wiltbank, and Joanne Yestramski. Press and Public.

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

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

Steve Schley in support of the School of Forestry

James LaBrecque on Energy

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

August 2, 2005 – Cogeneration Subcommittee Meeting

September 25-26, 2005 – Board of Trustees Meeting and Committee Meetings

Chair's Agenda and Report. Trustee Johnson thanked and congratulated the System staff for the work to host this Board meeting. The new facility and the Board Room is great! Thank you to the City of Bangor for making this possible and it is significant for State of Maine for the UMS to have this facility in downtown Bangor. Trustee Johnson extended thanks to the Chancellor and Mrs. Westphal for hosting the reception and dinner on Sunday evening.

Trustee Johnson appointed the following Trustees to the Strategic Planning Subcommittee: James Mullen, Chair; Charles Johnson, Gregory Cyr, Margaret Weston, Lyndel Wishcamper, Paul Mitchell, Victoria Murphy, and Chad Marquis. The Strategic Planning Subcommittee will be spending significant time working on the integration of the recommendations of the Governor's Task Force on Higher Education in the Kennebec Valley. Trustee Johnson extended his thanks to Trustees Gendron, Weston, and Wishcamper for their work as members of that Task Force.

Significant agenda items discussed at the Committee meetings included the Annual Financial Report for FY2005, the Ratification of Appropriation Request, University of Maine Intent to Undertake a Comprehensive Campaign, a presentation on the SAT Policy for High School Juniors, and the update on the Three-Year Review of the Student Conduct Code.

An open house is scheduled from 3:30 pm to 5:30 pm for local business neighbors, legislators, and city leaders to see the new UMS facility. All Trustees are invited to attend.

Chancellor's Agenda and Reports. Chancellor Westphal thanked the Board of Trustees and the City of Bangor for their support and commitment with the move to downtown Bangor. He also thanked a couple of key staff in the Facilities Department: Brad Kites and Alan Cyr.

Chancellor Westphal talked about the \$15 million budget gap, which is really \$24 million when deferred maintenance is added. This is huge challenge and the Board will be voting on the Supplemental Biennium Request for \$5 million. Chancellor Westphal commented that it will be important to engage the Board, faculty, students, staff, unions, and our alumni to assist with the Legislature to advance our issues. Another area that the Legislature is asking the UMS to be more collaborative is with the Maine Community College Board and K-12 and Chancellor Westphal has suggested to the Legislature a joint meeting between the UMS Board of Trustees and the Maine Community College Board. The UMS has been receiving requests to study the feasibility of creating several new schools for our System. These include the Schools of Dentistry, Pharmacy, Veterinary Medicine, and a School of Medicine. He has asked the Vice Chancellor to do an assessment of the measures that need to be reviewed to determine the needs and costs for the programs in the State of Maine. The Board will be kept informed on this project.

The Strategic Plan is being reenergized as we start the implementation planning. The faculty and students need to be kept involved and informed as we move forward.

Dr. James Breece, Executive Director of Planning and Policy Analysis, provided an update on the Fall 2005 Enrollments. For the fourth year in a row, enrollment exceeds 34,000 students with those students enrolled in more classes than at any other time in university system's 37-year history. Our students are taking a record number of credit hours which is measured by Full-Time Equivalent (FTE) students which totaled 24,247, an increase of 129 compared to last fall. Our in-state enrollment is approximately 88% and 12% for out-of-state students. There has been a slight improvement in the number of males enrolled which account for 37.8% and women make up the other 62.2%. There are a total of 3,407 students enrolled in distance learning courses in the Fall 2005, which is down 2.8% from Fall 2004. The UMS has realized a significant growth in non-traditional students. The traditional first-year, first-time students represents 12% of our student body compared to 17% in previous years. Our student retention within the UMS from first year to second year is 72%, which is higher than the national average. Applications are at an all time high of 13,000 for 4200 new students.

Chancellor Westphal announced that the National Association of Industrial Technology elected Dr. Fred Walker from USM as Chairperson of the Executive Board of Directors for that organization. In addition Dr. Walker was named the Outstanding Professor of Industrial Technology for Sustained Excellence in Teaching and Service to a Profession and Scholarship in the Nation. Congratulations to Dr. Walker, the Faculty Representative to the Board of Trustees from USM.

Committee Reports/Action.

Academic Affairs Committee – Trustee William Johnson reported that the Committee agreed to forward to the full Board for approval the Awarding of Academic Degrees and the Creation of School of Forest Resources at University of Maine. The Committee received the final report from the Kennebec Valley Task Force, the SAT Policy for High School Juniors and an update on International Programs.

Audit Committee – Trustee Dowe thanked the Audit Committee and Tracy Elliott, Director of Internal Audit, for their efforts. The report from the External Auditors stated that there were no material weakness and all findings from last year's Management Letter report have been corrected. The search for a Controller has started and it is anticipated that the position be filled by March 2006. The PeopleSoft financial module went live on July 5th. This is a huge accomplishment and congratulations to Ms. Yestramski, the Project Enterprise team, and everyone involved.

Finance/Facilities Committee – Trustee McCrum reported that the Committee voted to approve the following items to the consent agenda: Ratification of the Supplemental Appropriation Request, Annual Financial Report FY2005, the University of Maine Intent to Undertake a Comprehensive Campaign, and the University of Maine Intent to Establish a Green Loan Fund. The Committee also received a Capital Projects and Energy Update.

Human Resources and Labor Relations Committee – Trustee Flahive reported that the Committee reviewed the amendments to the Equal Opportunity Policy which are necessary to be in compliance with newly adopted Maine law.

Investment Committee – Trustee Wishcamper reported that the Committee meet on November 29, 2005 in Bangor and received a presentation by Morgan Stanley International, the equity manager for both our endowment and pension funds. Commonfund-Multi Strategy Bond, a key fixed income manager, also provided a presentation. The Committee reviewed amendments to the Investment Policies and for the next meeting the Committee asked Mr. Kelley Wiltbank to provide a report on the legal relationship between the Foundations and the Board of Trustees. The Endowment fund at the end of the third quarter has a total value of \$105 million, which is an increase of \$70 million from three years ago. The Pension fund at the end of the third quarter has a total value of \$62 million.

Student Affairs Committee – Trustee William Johnson reported that the Committee received an update of the three-year review of the Student Conduct Code.

Trustees Affairs Committee – Trustee Paul Mitchell reported that the Committee met on November 10, 2005 and discussed the following issues: the charge to the Committee, Maine Legislative bills held over and new titles, Maine Legislature budget hearings, and work to sustain and increase support from the Governor and Legislature.

Trustees O'Leary and Flahive reported on the informational meeting on November 10th with the Joint Committee on Education and Culture Services. The purpose of the meeting was to discuss education at the PreK to 20 level. The information exchange between the Legislature, the UMS Board of Trustees and the Maine Community College System Board was very beneficial.

Former Chancellor MacTaggart provided a presentation on governance and focused the discussion on what does the Legislature want from the educational system. This discussion encouraged collaboration among all the parties.

Trustee Johnson commented on the Board Self-Assessment process and explained the Education Committee has been invited to the UMS office to talk about the relationship between the UMS and the Legislature and provide the Committee with more information about the role of the UMS.

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

Appointment of a Strategic Planning Subcommittee. The Board of Trustees approved the appointment of a Strategic Planning Subcommittee.

Realigning the Trustee Affairs Committee. The Board of Trustees approved the restructuring of the Trustee Affairs Committee by removing the responsibility of the Nominating Committee which authority will be exercised by the Board Chair by the appointment of a Task Force to handle the duties of nominating new officers.

University of Maine at Fort Kent Strategic Plan. The Board of Trustees approved the University of Maine at Fort Kent's Strategic Plan.

Ratification of Appropriation Request. The Board of Trustees approved the FY2007 Supplemental Request submitted to the State for \$5.0 million.

Annual Financial Report FY2005. The Board of Trustees approved the FY2005 Annual Financial Report.

University of Maine Intent to Undertake a Comprehensive Campaign. The Board of Trustees authorized the University of Maine to conduct a comprehensive campaign with a private support goal of \$150,000,000 with gifts directed to endowment and capital projects.

University of Maine Intent to Establish a Green Loan Fund. The Board of Trustees authorized the Treasurer to approve a revolving loan in an amount of up to \$300,000 from the University of Maine Foundation for the purpose of establishing a Green Loan Fund.

Awarding of Academic Degrees. The Board of Trustees authorized the awarding of degrees in course for the Fall Commencement 2005 and the Spring and Summer Commencements 2006 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.

School of Forest Resources – University of Maine. The Board of Trustees approved the establishment of a School of Forest Resources at the University of Maine as submitted.

Information Items. The following items were included in the agenda for information only:

- Board Self-Assessment Process
- Equal Opportunity Policy

Collective Bargaining Update
Capital Projects and Energy Update
Strategic Planning: Kennebec Valley Task Force Update
SAT Policy for High School Juniors
International Programs Report
Update of the Three-Year Review of the Student Conduct Code
Fall 2005 Enrollments
Agenda Calendar
Summary of Current Statistics

Date of Next Meeting. The next meeting of the Board of Trustees will be held on January 22-23, 2006 at the University of Southern Maine.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk