Board of Trustees Meeting

Present: Samuel Collins, Chair; Gregory Johnson, Vice Chair; James Erwin, Norman Fournier, M. Michelle Hood, Marjorie Medd, Shawn Moody, Victoria Murphy (by phone), Paul Nelson, Bonnie Newsom and Karl Turner.


Absent: Kurt Adams, Mark Gardner, Kevin McCarthy, Paul Mitchell, and James Rier, Jr.

Sunday, September 21, 2014

Trustee Collins, Chair, called the meeting to order and thanked President Hess and the staff at the University of Maine at Fort Kent for hosting the Board of Trustees meeting. Trustee Collins welcomed UMS Interim President Glenn Cummings and Ms. Kelly Martin from the UMFK Board of Visitors. Trustee Collins stated that Trustee Victoria Murphy was participating in the meeting by telephone.

ACCEPTANCE OF MINUTES
On a motion by Trustee Fournier, which was seconded by Trustee Nelson, the minutes from the following meetings were unanimously approved as presented:

- July 21, 2014 – Board of Trustees Meeting
- July 24, 2014 – Executive Committee Meeting
- August 28, 2014 – Executive Committee Meeting
- August 29, 2014 – Academic & Student Affairs Committee Meeting
- August 29, 2014 – Joint Session between Academic & Student Affairs and Human Resources & Labor Relations Committees
- August 29, 2014 – Human Resources Committee Meeting
- September 2, 2014 – Finance/Facilities/Technology Committee Meeting

COMMITTEE REPORTS

Academic & Student Affairs Committee. Trustee Gregory Johnson reported that the Committee met on August 29, 2014 and agreed to forward to the Consent Agenda for the September Board meeting the Program Eliminations at UM and USM and the Change to a Major Unit at UM. The Committee received an update on the UMF and UMFK Strategic Plans and the Process Oversight Committee. The Committee reviewed their Work Plan for FY2015 and had a discussion of Trustee outreach.

Academic & Student Affairs Committee and Human Resources & Labor Relations Joint Session. Trustee Gregory Johnson reported that there was a joint session between the Academic & Student Affairs Committee and the Human Resources & Labor Relations Committee on August 29, 2014 to discuss the Title IX Sexual Assault Policy. He noted the draft policy applies to both students and
employees. Implementation will require a great deal of training for prevention. The policy will be on
the agenda for both Committees again in November and then will be an action item at the November
Board meeting.

**Executive Committee.** Trustee Samuel Collins reported that the Executive Committee met on July 24
and August 28, 2014. At the meeting on July 24th the Committee approved the appointment of David
T. Flanagan as the President of the University of Southern Maine effective July 28, 2014 and ending
on the date a successor president assumes office. At the August 28th meeting, the Committee
discussed personnel related issues and no action was taken.

**Finance/Facilities/Technology Committee.** Trustee Norman Fournier reported that the Committee
met on September 2, 2014. Under Finance related items, the Committee had a presentation on the
Strategic Integration Target 2: Financial Management Structure and the Human Resources
Administrative Review. Under Information Technology related items, the Committee reviewed the
projects with a value of $250,000 or greater, the Information Technology 5 Year Capital Plan and the
University Services Information Technology transitions.

Under Facilities related items, the Committee agreed to forward the following items to the Consent
Agenda for the September Board meeting: Authorization to dispose of the Stone House at USM, the
Central Heat Plant Replacement at USM, the Little Hall STEM Classroom Renovation at UM and the
Wells Commons Dish Room Renovation at UM. The Committee approved the Boardman Hall
STEM Lab Renovation at UM. The Committee received an update on the Facilities Management
Administrative Review and the System-wide Annual Energy and Sustainability Report. The Capital
Projects Status Report and the FY2014 Annual Report on Real Estate and Lease Activity were also
discussed.

**Human Resources & Labor Relations Committee.** Trustee Marjorie Medd reported that the
Committee met on August 29, 2014 and agreed to forward to the Consent Agenda for the September
Board meeting the Human Resources Strategy and Structure and the Proposal for New Health Plan
Option for Non-Represented Employees. The Committee received an update on the Human
Resources Administrative Review and discussed exit interviews for Presidents, the Emeritus Policy
and the Committee Charge and Work Plan for FY2015.

**Board Committee Work Plans for FY2015.** Trustee Collins state that the Board Committee Work
Plans for FY2015 were distributed with the Board meeting materials.

**UNIVERSITY OF MAINE AT FARMINGTON STRATEGIC PLAN**

University of Maine at Farmington President Kathryn Foster discussed the strategic planning process
on her campus, “UMF 2020: Experience Farmington.” The plan aligns its strategies and actions to
reinforce the university’s traditional mission and brand while deepening its commitment to
experiential education and community engagement. It achieves these outcomes with four goals and
twenty underlying strategies. The four goals are:

1. Reinforce and enhance UMF’s mission and identity
2. Experience UMF
3. Leverage our location
4. Align our actions
This strategic plan was reviewed by the Academic and Student Affairs Committee at their August 29, 2014 meeting.

**HUMAN RESOURCES STRATEGY AND STRUCTURE AND UPDATE ON THE HUMAN RESOURCES ADMINISTRATIVE REVIEW**

**Human Resources Strategy and Structure**
Ms. Lynda Dec, Chief Human Resources Officer, explained that the Human Resources (HR) strategic plan is based on the HR Administrative Review and is in support of the University of Maine System’s strategic vision and plan. The Human Resource strategic plan provides the framework for the University System’s most important asset – its people. The purpose of the plan is to provide a clear picture of the present state and compare the results against further needs. This allows for recommendations and strategies in all areas of the Human Resource function. HR’s priorities are focused in seven categories: HR Technology Plan and Metrics, Benefits/Wellness, HR Service Delivery Model, Compensation, Recruitment, Work Culture, and Performance Management/Professional Development. The priorities for each category are as follows:

- **Develop HR Technology Plan and Metrics**
  - Develop HR Technology Plan with Information Technology
  - Develop a Human Resource Dashboard

- **Benefits/Wellness**
  - Benefit Program Redesign
  - Wellness Program Design
  - Employee Health Plan Task Force Mission and Focus

- **HR Service Delivery Model**
  - Centralization/Automate/Outsource the HR Administrative Functions
  - Develop Campus Strategic HR Business Partner Model

- **Compensation**
  - Establish a Center of Excellence
  - Create greater visibility on salary decisions
  - Establish practices & policies that reduce risk: inequities, competition, PR
  - Develop common titling language and levels to leverage System-wide talent

- **Recruitment**
  - Deploy a System-wide applicant tracking solution
  - Consolidate sourcing of applicants
  - Combine the spending to optimize purchasing power and savings
  - Build a world class recruiting function in support of the University System’s vision and strategy

- **Work Culture**
  - Develop a clear Labor Relations strategy
  - Move to a centralized Labor Relations support model
  - Develop assessment tools and plans to improve the climate across the System

- **Performance Management/Professional Development**
  - Establish a Center of Excellence in this area
  - Establish a strategy and plan that support the organization’s strategy and people needs in order to deliver on the strategy
  - Establish a central database for tracking plans, achievements, reviews, etc.
Human Resources Administrative Review
Ms. Dec explained the goals of the HR Administrative review are to transition the HR Department to be more flexible and responsive to the University’s changing needs; to concentrate on highly critical or specialized service areas that were identified in the original HR Administrative Review by creating a new HR Service Delivery Model, and to support the Board of Trustees’ Strategic Outcomes.

Phase I
Phase I established an HR vision, strategy, and structure to position the department to deliver on its commitment of improving services while identifying opportunities for cost savings by eliminating 7.5 (net) headcount through outsourcing and consolidation across campuses; gained efficiencies in administration, with a net savings of just under $1 million; and created efficiencies in benefits budget after outsourcing expenses and eliminating positions, realizing $273,000 (net) in benefits administrative costs.

Phase II: Transforming HR to a Strategic Function
Phase II will transform HR to a strategic function by moving to a service delivery model which requires the creation of Centers of Excellence and decentralized Human Resource Business Partners. The campus-based HR staff will serve as strategic HR Business Partners, the Centers of Excellence (COE) will provide a level of expertise not previously provided to the System, areas requiring transactional and repetitive administrative work will be further examined, and Phase II concentrates headcount on those areas that are extremely critical and highly specialized in order to achieve superior service delivery.

Campus HR staff as Strategic HR Business Partners
This model utilizes new technology and enhanced ways to deliver HR services and improve the experience for stakeholders (employees, applicants, retirees), while shifting task-oriented work as well as specific areas of focus to Centers of Excellence. By freeing up substantial amounts of time previously spent on task-oriented work, staff members are able to provide services—at a breadth and level not previously available to the System.

Establishing Centers of Excellence (COE)
The Centers of Excellence (COE) will include: Labor Relations, Recruiting/Talent Acquisition, Learning and Organization Development, Compensation/Data Analytics, Equal Opportunity, Benefits Administration, Project Management, and Communications.

Headcount Levels
The current HR headcount Statewide is 72 with annual salaries and benefits of approximately $6.0 million. The future HR headcount will be 61 by the end of FY2018. Phase I & II provides for a total headcount reduction of 17.6%. The exact positions have not yet identified and will assume average salary and benefits of $60,000 per year. The net reduction in Phase II eliminates a total of 23, adds 12 in the Centers of Excellence (COE), for a net reduction of 11. Affected employees may be eligible for 12 COE positions based on experience and skills and not all COEs will be based in Bangor. It will take a couple of years before HR moves to this model and, in that time, HR will also look for other employment opportunities for affected employees. The timing will be determined based on the both the investment in and implementation of technology.
Campus support
The System-wide HR/ERL (Employee Relations Liaisons) group agreed and recommended a 300/1 ratio of total employees to HR business partners. However, to start a 200/1 model is proposed to effectively accomplish this transformative change. Over time, more efficiencies may be realized and future support levels adjusted, based on experience and feedback.

Technology: Initial Investment of $1.2 million
The savings will not be realized until FY2017 at $1.1 million (cumulative) and, thereafter, an annual net savings of approximately $1.6 million.

The Plan
The essence of the plan is to remove all transactional services from the campuses by utilizing technology and implementing consistent processes and practices across the campuses. The self-service model results in less foot traffic and paperwork and will focus on the areas of: benefits administration (new hire benefits/open enrollment, leaves of absence, retirement, tuition waivers); payroll; and administrative support staff.

This plan is an estimate of headcount reductions, investments required, and savings. Additional work needs to be done to scope out and identify the exact positions and dollars associated with the reductions. The investments required were based on estimates provided by multiple vendors. Actual costs will be built out once the scope of work is defined and the RFP process is completed. Savings will be further defined as the timing of automation will determine the timing of headcount reductions.

BOARD OF TRUSTEES MEETING WITH UMFK BOARD OF VISITORS
The Board of Trustees met with the University of Maine at Fort Kent Board of Visitors (BOV). The following BOV members participated in the presentation: Mr. Timothy Doak, Mr. Donald Guimond (Vice Chair), Mr. Brad Hansen, Ms. Kelley Martin (Chair) and Mr. Jonathan Roy. Ms. Kim Ouellette, an outgoing BOV member, and Mr. Marty Bernstein, a community member of the UMFK Strategic Planning Committee and liaison to the BOV, were also present and participated in the presentation.

Monday, September 22, 2014

Trustee Collins called the meeting to order.

CITIZEN COMMENT
Citizen Comment is a time regularly set aside for comments from the public. The following individuals spoke during the Citizen Comment period:
  Robert Rice – Calendar
  Jerry LaSala – USM Program Eliminations
  Paul Christiansen – USM Program Eliminations
  Christy Hammer – USM Program Eliminations
  Susan Feiner - USM Program Eliminations
  Paul Johnson – USM Program Eliminations
  Ron Mosley – Shared Governance & Program Elimination Process
  Tony Enerva – Process Oversight Committee
CHAIR’S REMARKS
Trustee Collins stated that many emails have been received expressing concern over the Program Eliminations and the disposal of the Stone House which have been distributed to the Board. Trustee Collins thanked President Flanagan for agreeing to serve as the UMS as the President of USM. He thanked President Hess, the UMFK Board of Visitors and the UMFK Foundation for hosting the Board meeting.

Trustee Collins briefly reviewed the items listed on the agenda such as program eliminations at UM and USM. Program Eliminations are very difficult decisions and it is with great deliberation that the Board of Trustees looks at eliminating any programs. However, the UMS is faced with dire circumstances that are before the System and the cost of doing business in addition to the structural gap is continuing to increase. At the Board Retreat October 12 & 13, 2014, the Trustees will be discussing how that structural gap can be bridged and what structural changes will be needed. There has been significant savings gained with the Administrative Reviews in Information Technology and Human Resources. Savings in the administrative area will continue but the System will also need to gain savings in the academic area as well. It is important that the UMS increase revenues; however, that is not the trend. Our overall enrollment projections are continuing to decline by approximately 3% which result in revenues also declining. Trustee Collins continued by stating the Board does listen to the input from others. The Trustees have a fiduciary responsibility and the decisions are difficult. The UMS State Appropriations funding continues to decline from a high of 72.5% of the UMS E&G revenue to the current low of 41.2%. Revenues from tuition have gone from a low in the late 1990’s of 22.9% to the current high of 50.5% of E&G revenue. The Trustees are aware that an affordable education is very important to the citizens of Maine and the UMS is asking for more State Appropriation funding this year.

Report from the Electronic Board Book Work Group. Trustee Turner provided an update on the Electronic Board Book Work Group. UMS has signed a contract with Diligent for their “Boardbooks” product and our account team has been assigned. A kickoff conference call for implementation has been scheduled for Wednesday, September 24. The tentative implementation timeline is:

- Training of our administrative users will be accomplished in the next few weeks.
- Diligent will configure our portal and the first test will be creating an archive version of the materials for this meeting.
- The November Board book will be created using the new system, but it will be distributed in the current manner (mail and online).
- A representative of Diligent will meet with us at the November meeting to acquaint us with the Board portal.
- Trustee and executive training will occur after the November meeting.
- For January we will have our first paperless meeting; all Trustees will receive the Board materials through the new portal.
- The portal will be used for committee meetings starting after the January Board meeting.

Resolution for John Lisnik. On a motion by Trustee Medd, which was seconded by Trustee Nelson, the Board of Trustees approved the following resolution for John Lisnik:

- Whereas, John Lisnik has served in senior leadership roles in the University of Maine System for more than two decades and;
• Whereas the position he held was Assistant to the Chancellor for Governmental Relations for more than 23 years and prior to his university career, he was a public school teacher, an adjunct at the university level, and was elected to the Maine House of Representatives;

• Whereas, during his career at UMS, John Lisnik was exemplary in his representation of UMS in the Maine State Legislature;

• Whereas, he earned the respect of those in the legislative and executive branches of State government where he presented the interests of UMS across many diverse areas ranging from appropriations to research to issues affecting student life, academics and administration;

• Whereas John Lisnik helped many trustees and staff navigate the legislative process while at the same time helping legislators and others in state government understand the issues affecting public higher education;

• Whereas John Lisnik has been a valuable advisor to eight chancellors and his hard work helped advance the University of Maine System in its missions of education, research and public service for Maine citizens;

• Be it known to all that we, the University of Maine System Board of Trustees, offer our most sincere gratitude, thanks, and best wishes to John Lisnik for his outstanding contributions to the quality of higher education in Maine.

• Approved on the 22nd day of September, 2014, by a grateful University of Maine System Board of Trustees, acting as stewards of Maine’s public universities and their 28,000 students, 5,000 employees and more than 185,000 living alumni.

CHANCELLOR’S REPORT
Chancellor James Page reported on the following topics:

November Bond
Mr. Dan Demeritt provided an update of the approach for “Yes on 2” for the November bond for the University of Maine System. The wording on the bond has been significantly improved from the previous bond in 2012. Mr. Demeritt is working on a campaign strategy. The Question 2 bond issue is as follows:

Do you favor an $8,000,000 bond issue to support Maine agriculture, facilitate economic growth in natural resources-based industries and monitor human health threats related to ticks, mosquitoes and bedbugs through the creation of an animal and plant disease and insect control laboratory administered by the University of Maine Cooperative Extension Service?

UMA Update. UMA President, Dr. Glenn Cummings, provided an update of UMA. In 2015 will be UMA’s 50th anniversary and the campus is also involved in a NEASC accreditation. Dr. Cummings will be getting to know the campus, visiting the centers, and beginning the process for a strategic plan.

Update on the UMFK Strategic Plan. UMFK President, Dr. Wilson Hess, provided an update on the UMFK Strategic Plan. The Strategic Planning process has been very inclusive and the University’s vision has expanded beyond the St. John Valley. The Plan will focus on UMFK as a model rural university, servicing rural areas of Maine. The UMFK revised mission and seven strategic directions will be presented to the Board in November.
Fall Priorities.
Chancellor Page commented on the need for transformative change for the UMS in order to meet the mission in a financially sustainable and responsible way. One step toward accomplishing this goal is through the articulation of the 23 outcomes in the Strategic Outcomes document adopted by the Board. These outcomes are how the UMS is directing change. Strategic Integration Targets outline the most effective and efficient structure for the University of Maine System. The Strategic Integration Targets are below:

- **Strategic Integration Target 1:** Complete all seven campus strategic plans, as well as those from other major elements of the enterprise (e.g., Extension), ensuring that, taken as a whole, they meet the statewide mission-defined portfolio of services. All plans complete and checked against the statewide portfolio by EOY 2014.

- **Strategic Integration Target 2:** Develop and implement a comprehensive financial management structure for the entire System that enhances transparency, enables appropriate fiscal control, and advances comprehensive intra-system collaboration. New model review September 2014; implementation in FY15.

- **Strategic Integration Target 3:** Develop a comprehensive administrative plan in FY15 that reduces total administrative costs, including academic administration, per student FTE to peer system benchmarks or below by FY17.

- **Strategic Integration Target 4:** Develop a model of academic program and portfolio review and integration that leverages academic resources to enhance program quality, expand access, and meets appropriate financial benchmarks, with at least three pilot projects underway in FY15.

Chancellor Page noted that work on the Strategic Integration Targets will result in "One door opens all," making the entire System available to every student and working as business partners to all Maine business with needs for research and development. The UMS needs to determine the structure that will best accomplish this, working collaboratively, but without the luxury of time. Strategic Integration Target 2 is key to this. We hear the criticism of not being transparent.

Strategic Integration Target 3 will reduce administrative costs to the level of peers or lower. Where possible, cuts need to be in administration.

Strategic Integration Target 4 will leverage academic resources across the System. We need to find the balance between maximum alignment, which has maximum efficiency but can result in non-responsive bureaucracy and unfettered local responsiveness that can lead to duplication and unaffordable bureaucracy. There needs to be a balance between these points and the culture that will support it. This work is underway and must continue without let up.

**REPORT ON ACADEMIC AFFAIRS**
Ms. Rosa Redonnett, Chief Student Affairs Officer, provided an enrollment overview and UMF President Dr. Kate Foster provided an update on the Process Oversight Committee (POC).

**Enrollment.** Ms. Redonnett commented that the enrollment data is as of 9/15/2014 compared to the Fall 2013 census. The UMS headcount has declined by 3.2%, or 962 full time equivalent students. However, UMFK has an increase of 11.2%. The total credit hours have declined by 2.9% or 9,419 credit hours. UM and UMFK have had increases of 1.1% and 3.9% respectively. In-state credit hours have declined at all campuses except at UMFK. UM and UMFK have also had an increase in
undergraduate credit hours while the other campuses have decreases. UMF has had an increase in graduate credit hours.

**Process Oversight Committee.** President Foster briefly reviewed the Academic Portfolio Review and Integration Process. A Process Oversight Committee has been established and their work has already begun.

**PRESIDENT EMERITA AND ACTING VICE CHANCELLOR’S REPORT**
Dr. Theodora Kalikow, President Emerita and Acting Vice Chancellor, provided a community engagement update.

**Community Engagement definition:** An intentional array of mutually beneficial, two-way partnerships between the University of Maine System, its campuses, and the wider world – primarily (but not exclusively) within the state, the regions, and the communities where individual campuses are located.

The **primary outcome** of community engagement is to benefit the students: to offer every student an opportunity to become a reflective practitioner—that is, to employ and practice their cognitive and affective skills, critical analysis and good judgment in high-impact experiential learning settings. This builds their employment and career success skills and provides them with relevant experience in the workplace.

The **secondary outcome** is the benefit the University contributes to the community through the transfer and application of knowledge by students and faculty, and the leveraging of university assets in order to meet community needs.

Dr. Kalikow stated that she will chair the steering committee, assume the leadership role in pursuing best practices and developing the 3-year plan, and be the lead voice in bringing public attention to this essential work of connecting our students and faculty with our communities.

**VICE CHANCELLOR FOR FINANCE AND ADMINISTRATION & TREASURER’S REPORT.** Dr. Rebecca Wyke, Vice Chancellor for Finance and Administration & Treasurer, provided a financial update.

**Managed Investment Pool (including Endowment Fund).** In July the Fund declined by 1.2% and fiscal year-to-date the Fund has declined 1.2%. The market value on July 31, 2014 of the Managed Investment Pool (MIP) was $273.6 million. Changes in market value besides market fluctuation include: contributions and distributions, the UMS contributions to the OPEB Trust, the Maine Maritime Academy’s participation in the Fund since January 2009, and the UM School of Law Foundation’s participation in the MIP since July 2012.

**Pension Fund.** In July the Fund declined by 1.0% and fiscal year-to-date the Fund has returned 1.0%. The market value on July 31, 2014 of the Pension Fund is $39.4 million.

**Operating Fund.** In July the Operating Fund declined by 0.4% and fiscal year-to-date the Fund has declined 0.4%. 
**Strategic Integration Target 2 – Comprehensive Financial Management Structure**

Vice Chancellor Wyke provided a history of the creation of the University of Maine System which outlined the establishment of a governance structure through Maine Law, the Charter and Board Policy. She stated that today many of the issues that led to the formation of the System have resurfaced. The formula for funding our institutions, a problem from our beginnings, has never been fully resolved as obvious inequities exist between institutions with no justification other than historic funding levels. The Strategic Integration Target 2 supports the need for a single unified budget for our entire university. Strategic Integration Target 2 states:

*Develop and implement a comprehensive financial management structure for the entire System that enhances transparency, enables appropriate fiscal control, and advances comprehensive intra-system collaboration.*

Vice Chancellor Wyke reviewed current policy and law governing financial affairs for the University of Maine System. In order to implement Strategic Integration Target 2, Dr. Wyke presented a spectrum of change options to formulate a comprehensive financial management structure. The spectrum of change is as follows:

**Policy Only Approach**
The current law and policy define the role of the Vice Chancellor for Finance and Administration & Treasurer to develop unified operating and capital budgets, have oversight of the financial resources and assets, and have authority to draw funds and commit resources. The reporting structure for this approach would create dotted lines from the campus chief financial officers to the Vice Chancellor for Finance and Administration & Treasurer. It would also strengthen internal controls and develop policy to govern the movement of funds. This strengthened policy approach would apply to all of the other options.

**Unified Finance Only**
The Unified Finance Only approach would create a System Chief Financial Officer with primary responsibility for financial oversight and unified budget development for all seven universities. It would consolidate functions related to the budget and financial analysis and the bursar and student financial systems. The reporting structure for this approach would create dotted lines from the campus chief financial officers to the System Chief Financial Officer.

**Unified Finance & Administration with Regional Chief Operating Officers**
The Unified Finance & Administration with Regional Chief Operating Officers approach would create a System Chief Financial Officer/Associate Vice Chancellor with the primary responsibility for financial oversight and unified budget development for all seven universities. Secondary responsibilities would include coordination of administrative services for all seven universities. This approach would consolidate functions related to budget and financial analysis and would replace the seven campus chief financial officers with three or four regional chief operating officers reporting to the System Chief Financial Officer/Associate Vice Chancellor with responsibility for one or more campuses.

**Unified Finance & Administration with Full Integration**
The Unified Finance & Administration with Full Integration approach would achieve full financial and administrative integration serving both Strategic Integration Target 2 (comprehensive financial management structure) and Target 3 (comprehensive administrative plan/reduced administrative cost). With this approach the Vice Chancellor position would be renamed to the Chief Operating
Officer and would create a System Chief Financial Officer with primary responsibility for financial oversight and unified budget development for all seven universities. It would also consolidate the functions related to budget and financial analysis; bursar and student financial system; and auxiliary services. Full integration would consolidate all administrative services by function and locate all services on a campus to make best use of space. This would include the elimination of the System Office at 16 Central Street in Bangor. All of the facilities maintenance and operations as well as the capital management functions would be included under the Chief Facilities and General Services Officer. All of the human resources functions would be included under the Chief Human Resources Officer. All of the other administrative services in Information Technology, Facilities & General Services, and Human Resources have already been consolidated.

A feedback tool will be made available on the ThinkMissionExcellence.maine.edu website for the purpose of taking comments on the plan until October 10, 2014. It is anticipated that the final plan for the new financial management structure will be presented to the Board of Trustees at the November 16-17 meeting.

During the discussion following Dr. Wyke’s presentation, several Trustees stated they supported the Full Integration option of the Plan and requested more data on the cost benefit analysis and an outline of the timing of the integration of all of the initiatives currently underway, i.e. the Administrative Reviews and the Academic Portfolio Review.

Clarification was requested on the reference to the elimination of the System Office at 16 Central Street in Bangor in the Full Integration option. Dr. Wyke stated that most of the University Services employees, who report to the Vice Chancellor’s Office and not a President, already reside on a campus. She explained that there is increased building capacity on our campuses and there is symbolic value in vacating 16 Central Street. She stated that it is time to make sure that all of the assets of the System are located on a campus close to the people that the System serves.

**DISCUSSION ITEMS**

**President Flanagan Update on University of Southern Maine.** USM President David Flanagan presented an update on the University of Southern Maine: goals and objectives, progress to date, the challenge, the vision, strategic plan elements, four immediate priorities, Phase II, implementation plan, and longer term issues.

The four immediate priorities:

- Balance the budget for FY2015
- Encourage retirement – October 2014
- Modify recruitment strategy for this cycle – October 2014
- Cost reductions – commencing in October 2014

**Criteria for USM Presidential Search.** Trustee James Erwin, Chair of the USM Presidential Search, provided a brief update on the status of the USM Presidential Search. The search committee has been formed and is ready to begin its work. One of the first steps of the search is the description of the position and articulation of criteria for selecting the president. This is a foundational step for attracting and selecting a future president who will successfully lead USM for the coming years.
UMS Administrative Procedures for the Recruitment and Selection of Presidents state:

The chancellor on behalf of the Board of Trustees must formally charge each search committee with the responsibility for conducting the search for a president. The charge shall include preferred characteristics to be used as guidelines throughout the search articulated and/or approved by the chancellor and Board of Trustees based on an assessment of the needs of the university and University System. Close collaboration of the chancellor, Board and committee in defining the preferred characteristics will enhance the quality of information to candidates and increase the likelihood of a successful search outcome.

In addition to the criteria identified by the Board of Trustees, the search consultant, Dr. Terrence MacTaggart, will conduct interviews of constituent groups and provide the resulting themes to the search committee. The Metropolitan University Steering Committee has also submitted their input on the criteria for the next president.

Trustee Erwin led a discussion with the Board about the criteria for the selection of the USM president. Criteria and characteristics suggested by Board members included:

- good listener -- really hears
- humble
- seeks out opinions
- strong communicator
- integrated in community; community-engaged
- able to manage conflict and confrontation as positives
- mindful of how to turn enrollment into an ascending arc
- change agent; not believing in status quo
- bold, risk taker
- focus on metropolitan university mission
- vision
- understands plans and goals
- loves students
- values own education
- understands the value of sports and other co-curricular activities
- politically savvy

CONSENT AGENDA
On a motion by Trustee Johnson, which was seconded by Trustee Turner, the items on the Consent Agenda were unanimously approved by the Board of Trustees as follows:

The following agenda items were forwarded by the Academic & Student Affairs Committee to the Consent Agenda from its meeting on August 29, 2014:

Program Eliminations, UM. The Board of Trustees approved the following program eliminations submitted by the University of Maine:

- B.A. in Latin
- B.A. in Public Management
- Master of Public Administration
- B.S. in Aquaculture
- B.S. in Forest Ecosystem Science
- B.S. in Wood Science and Technology
- Master of Music in Conducting

**Program Eliminations, USM.** The Board of Trustees approved the following program eliminations submitted by the University of Southern Maine:
- Masters in American and New England Studies
- B.A. in Arts and Humanities
- B.S. in Geoscience

**Change to a Major Unit, UM.** The Board of Trustees approved the proposal for change of a major unit submitted by the University of Maine as follows: elimination of Public Administration and related policy programs and moving the Health program (nursing) to the College of Natural Sciences, Forestry, and Agriculture. Only the Maine Business School remains from the original unit. It will be a standalone unit headed by a dean.

The following agenda items were forwarded by the Human Resources & Labor Relations Committee to the Consent Agenda from its meeting on August 29, 2014:

**Proposal for new Health Plan Option for Non-Represented Employees.** The Board of Trustees approved the Proposal for the New Health Plan Option for Non-Represented Employees.

The following agenda items were forwarded by the Finance/Facilities/Technology Committee to the Consent Agenda from its meeting on September 2, 2014:

**Authorization to dispose of the Stone House, USM.** The Board of Trustees approved the recommendation of the Finance/Facilities/Technology Committee to authorize the sale or other transfer of property located at 642 Wolfe’s Neck Road, Freeport, Maine following a public engagement process and subject to the written concurrence of the Chair of the Board of Directors of the Wolfe’s Neck Farm Foundation on behalf of that Board consistent with the terms of the gift agreement which transferred the property to the University as well as review and approval of the final terms and conditions by the University of Maine System Vice Chancellor of Finance and Administration and General Counsel.

**Central Heating Plant Replacement, USM.** The Board of Trustees approved the recommendation of the Finance/Facilities/Technology Committee to authorize the University of Southern Maine to expend up to $3,000,000 in University E&G funds to replace the Portland Central Heat Plant and related equipment.

**Little Hall STEM Classroom Renovation, UM.** The Board of Trustees approved the recommendation of the Finance/Facilities/Technology Committee to authorize the expenditure of up to $1,740,000 from the proceeds of General Obligation Bond funds approved by voters in November 2013 to upgrade first floor lecture halls in Little Hall.

**Wells Commons Dish Room Renovation, UM.** The Board of Trustees approved the recommendation of the Finance/Facilities/Technology Committee to authorize the expenditure
of up to $1,300,000 from Dining Reserve funds to renovate the Dish Room at Wells Commons and to make associated improvements.

**ACTION ITEMS**

**Confirmation of Faculty Representatives to the Board of Trustees.** On a motion by Trustee Nelson, which was seconded by Trustee Fournier, the Board of Trustees approved the appointment of the following Faculty Representatives to the Board of Trustees:

- Uriah Anderson, UMM (2 year term – June 2014 to June 2016)
- Robert Rice, UM (reappointed – 1 year term: June 2014 to June 2015)

**Approval of the Board Committee Charges and Review of Committee Work Plans for FY2015.**

Trustee Collins reviewed the Board Committee Charges. The Academic & Student Affairs Committee, the Audit Committee, the Finance/Facilities/Technology Committee and the Human Resources & Labor Relations Committee charges have been amended.

On a motion by Trustee Johnson, which was seconded by Trustee Fournier, the Board of Trustees approved the Committee Charges as presented.

**University of Maine at Farmington Strategic Plan.** On a motion by Trustee Nelson, which was seconded by Trustee Newsom, the Board of Trustees approved the Strategic Plan submitted by the University of Maine at Farmington.

**Presentation of the Human Resources Strategy and Structure and Update on the Human Resources Administrative Review.** On a motion by Trustee Medd, which was seconded by Trustee Moody, the Board of Trustees approved the Human Resources Strategy and Structure.

**Appointment of Interim President, UMA.** Trustee Collins explained that Dr. Allyson Hughes Handley resigned her position as President of UMA effective September 8, 2014 to accept a position with National University. Consequently there is a need to appoint an Interim President of the University of Maine at Augusta. Trustee Marge Medd will head the formal presidential search committee to be formed later in the academic year to identify a president for the University of Maine at Augusta.

Chancellor Page conferred with numerous constituent groups about the priorities for the University of Maine at Augusta and the characteristics needed in a president. Following those consultations, Chancellor Page discussed the appointment with the Executive Committee of the Board of Trustees and subsequently announced that Dr. Glenn Cummings would be appointed as Interim President of the University of Maine at Augusta effective September 9, 2014, subject to confirmation by the Board of Trustees.

On a motion by Trustee Nelson, which was seconded by Trustee Fournier, the Board of Trustees approved the appointment of Dr. Glenn Cummings as Interim President of the University of Maine at Augusta, effective September 9, 2014 at an annual salary of $150,000. The appointment will end on the date a successor president assumes office.
Naming of Facility, UMA. Trustee Collins explained that the University of Maine at Augusta requests permission to name its facility at 331 Water Street in Augusta Handley Hall in recognition of departing President Allyson Hughes Handley.

Policy 803 explicitly reserves the naming of facilities to the Board of Trustees and, among other things, states that facilities may be named: for any individual, living or dead, except for current employees or current members of the Board of Trustees; and, on the recommendation of, a major contributor of 25 percent or more of the cost of the facility.

President Handley is now a former employee of the University System and the naming has the support of the contributor, Richard McGoldrick, who donated the facility to the University. The renaming of the building, currently known as the Gannett Building, is also supported by UMA’s Board of Visitors and the Kennebec Valley Chamber of Commerce. UMA has also consulted with the Maine Historic Preservation Commission and has ensured re-naming would not cause any concern.

When President Handley arrived at UMA, the institution had no development operation. President Handley established UMA’s first development department and staffed it without increasing UMA’s budget.

Soon after her arrival in 2008 she actively began to pursue donor opportunities and explored options for UMA to have its first ever presence in downtown Augusta. In 2010 Mr. Richard McGoldrick offered to donate the Gannett Building to UMA. President Handley worked diligently to demonstrate the merit of the idea and to secure the Board of Trustees’ approval to accept the gift. The building was valued at approximately $1.1 million at the time of the donation.

The campus transformed the former office building into classroom, studio and gallery space for UMA’s Architecture and Art programs. The fifth floor is home to UMA’s Women, Work and Community program. UMA’s presence in downtown has contributed significantly to the revitalization of Augusta’s downtown. The acquisition of the Gannett Building has also impacted UMA’s degree offerings, making it possible to offer the Bachelor of Architecture program, which is the only public Bachelor of Architecture program offered north of New York City. The building provides a space in which architecture students can work on projects and assignments between classes, at night and on weekends.

On a motion by Trustee Medd, which was seconded by Trustee Nelson, the Board of Trustees authorized the naming of the facility at 331 Water Street in Augusta as “Handley Hall.”

Academic Year Calendar. Trustee Johnson explained that the Academic calendars for the universities of the University of Maine System are submitted by the Chancellor to the Board of Trustees for the Board’s information each January. The Board of Trustees delegates to the President of each university the responsibility for the development of the academic calendar, in consultation with faculty and students, which fulfills the educational objectives of that institution and the University System.

The Board believes that the greater the degree of conformity among calendars, the more easily students can move among system institutions and the more efficiently internal operations involving students can function. The Board of Trustees has stated in its strategic outcomes that the University of Maine System is an integrated system of distinct campuses, centers, and other facilities operating in concert to provide high quality educational undergraduate and graduate
opportunities that are accessible, affordable, and relevant to the needs of Maine students, businesses, and communities.

Greater collaboration between the universities will be necessary in the future to optimally position the academic functions of the University of Maine System to fulfill its mission of instruction, research and public service to the people of Maine. Consistent with these strategic outcomes, the Board of Trustees expects as academic calendars are being prepared for upcoming academic years, there will be a common start and end date for both the fall and spring semesters across all seven universities, with full respect for the different missions of the universities and the demographics of their respective student bodies.

On a motion by Trustee Fournier, which was seconded by Trustee Nelson, the Board of Trustees directed the presidents, chief academic officers and faculty leadership to develop a common start and end date for the fall and spring semesters at the universities of the University of Maine System. The Board of Trustees directed the universities to make this a fundamental principle in the development of academic calendars beginning in the academic year 2015-16. Further, the Board directed the Chancellor and the System office to provide additional guidelines to the presidents, chief academic officers and faculty leadership as these calendars are being formulated.

**State Appropriation Request.** Vice Chancellor Wyke reviewed the State Appropriation request.

On a motion by Trustee Turner, which was seconded by Trustee Medd, the Board of Trustees authorized the appropriation request for the following:

- Education & General, $182,154,402 in FY16 and $189,076,270 in FY17;
- Debt Service, $3,267,950 in FY16 and $3,267,950 in FY17;
- Casco Bay Estuary, $35,000 in FY16 and $35,000 in FY17;
- Maine Economic Improvement Fund, $20,000,000 in FY16 and $20,000,000 in FY17; and
- Women, Work & Community, $886,975 in FY16 and $886,975 in FY 17.

**INFORMATION ITEMS**
The following items were included in the agenda for information only:

- 2014 Boards of Visitors Annual Reports
- FY2014 Annual Report on Real Estate & Lease Activity
- Capital Projects Status Report
- Dashboard Indicators
- Agenda Calendar

**EXECUTIVE SESSION**
On a motion by Trustee Nelson, which was seconded by Trustee Medd, the Board of Trustees meeting went into Executive Session under the following provisions:

- 1 MRSA Section 405 6-A to discuss the evaluation of personnel and the consideration and discussion of appointments, evaluations, employment and duties.
- 1 MRSA Section 405 6-D to discuss planning for negotiations and communications with AFUM, UMPSA, COLT, ACSUM, Police, PATFA, and Service and Maintenance Units.
- 1 MRSA Section 405 6-C to discuss or consider acquisition or disposition of publicly held property or economic development only if premature disclosure of the information would prejudice the competitive or bargaining position of the body or agency.
On a motion by Trustee Fournier, which was seconded by Trustee Erwin, the Board of Trustees concluded the Executive Session.

**Retirement Incentives.**
On a motion by Trustee Fournier, which was seconded by Trustee Nelson, the Board of Trustees authorized the Chancellor to execute agreements for retirement incentives with the Associated Faculties of the Universities of Maine, MEA/NEA and Universities of Maine Professional Staff Association, MEA/NEA, upon notice that the agreements have been executed by the union. The Board of Trustees approved the recommendations of the Chancellor for the retirement incentive for non-represented faculty, including Law faculty, and the development of a retirement incentive for non-represented salaried employees.

**DATE OF NEXT MEETING**
The next meeting of the Board of Trustees will be held on November 16 & 17, 2014 at the University of Southern Maine.

Adjournment

Ellen Doughty for
Tracy B. Bigney, Clerk