University of Maine
January 14, 2002

Board of Trustees Meeting


Trustee James Mullen, Chair, convened the meeting.

1. Citizen Input. Citizen input is a time regularly set aside for comments from the public. Ms. Maha Sabawi spoke regarding Professor Henry Pogorzelski and the Mathematics Department at the University of Maine.

2. Acceptance of Minutes. On motion of Trustee Judith Andrucki, which was seconded by Trustee Barry McCrum, the minutes of November 4, 5, 15, 2001, were accepted as presented.

3. Chair Remarks and Agenda.

Trustee Mullen thanked UM President Peter Hoff and his staff for hosting the Board of Trustees meeting. Following are his comments:

"Over the course of yesterday and today, this Board has dealt with some very difficult issues. Many of these will be covered on our consent agenda. As Chancellor McDowell will note in a few minutes, we are confronted with a very difficult budget brought on by external forces like the State’s fiscal difficulties, and internal forces like the enormous pending increases in health care costs. A very appropriate analogy: the projected health insurance increases are the equivalent for us of a 9% budget cut. Through our Academic Affairs Committee, we have initiated discussions on how we best establish strategies for dealing with some of the challenges we know we will be facing. In our Finance Committee, we are now working on a multi-year financial plan that focuses on our established priorities of affordable access, quality programs, service and facilities, efficiencies through technology, support for the State’s economic agenda, and improving internal operating efficiency and effectiveness. And through our Student Affairs Committee, our dialogue continues to focus on insuring access to quality post-secondary education for the people of Maine. In Maine, 22% of our residents have a bachelor degree. Our goal is to move that to the New England average of 31% in ten years. And, we continue to work on the critical issues of community college partnership, effective deployment of research and development, a new information system internally, and others. But amidst all the important decisions we must make, there are none more important than making sure we have effective leadership in place to guide all of our institutions through these challenging times."

UMS Chancellor Search. "In September, we established the Search Committee to begin the process of selecting a new Chancellor. This Committee, which includes Trustees DiMatteo, Skinner, Weston, and Faculty Representative Sherrie Sprangers, from the University of Maine at Machias, and Student Representative John Martin from the University of Maine, has met a half a dozen times since then. We first established criteria we felt were essential characteristics for a successful candidate. We looked at over thirty applications and did extensive background checking as we narrowed the pool down. A task that has involved long hours and extensive discussion. And, I want to publicly thank the Committee members for their diligence and commitment and also thank Associate Chancellor Haas and Interim Chancellor McDowell, and our outside consultant Allan Ostar for all of their hard work on this as well."
"We have now selected three finalists who will be visiting Maine during the last two weeks of January. These candidates will meet our Trustees, Presidents, students, faculty, staff members, and community members over the course of their visits. We will solicit input from all of these constituencies based on their interaction with the candidates, and intend to have a final Search Committee meeting and Special Board of Trustees meeting in early February to select our new Chancellor."

"Now, the name of one of our candidates will not be released until January 25th at the request of the candidate based on some matters that person has to conclude between now and that date. However, at this time, I am pleased to announce two of the candidates for the Chancellorship of the University of Maine System. First, Dr. Richard Crofts is the Commissioner of Higher Education for the University of Montana System. His prior experience is in the Minnesota System and he holds a Ph.D. from Duke University. Second, Dr. Joseph Westphal is the senior policy advisor for Patton Boggs LLC in Washington, D.C. For the past three years, he has served as Assistant Secretary and Acting Secretary of the Army. He holds a Ph..D. from the University of Missouri."

"We firmly believe that all three of our candidates are well-qualified to lead our University System and carry on the significant agendas we have established. I urge all parties to make the time to meet with these fine people while they are here. Your input will be critical to our final decision making process. Information on the candidates and their scheduled visits will be available after our meeting today."

UMFK Presidential Search. Trustee Gregory Cyr, Chair of the UMFK Presidential Search Committee, reported that the Committee has met and organized and is still in the process of collecting applications. At the last count, about 35 applications had been received. Trustee Cyr said that it is a diverse group of well-qualified applicants. Review of the applications will begin on January 22nd.

At the conclusion of his agenda, Trustee Mullen thanked Donald McDowell for the "extraordinary" work he has done in the role of Interim Chancellor.


Interim Chancellor McDowell commented on the financial position of the University System. The fiscal year ending June 30, 2002, saw the System take a reduction in budget by order of the Governor of $2.6 million. The System has been able to adjust the current revenue and expenditure budgets to accommodate the cut. He said that next year is a different issue. The System has an appropriation increase scheduled. The Governor’s recommendation, once his budget was announced, does not recommend that the University System’s base budget be cut nor did it recommend the increment for next year be reduced. Chancellor McDowell said he believes the Governor, in looking at the University System, fully understood the problem that is being faced by the cost of health care. The health care issue is the equivalent of a 9% appropriation reduction. It has caused, he said, some frank sessions with the University Presidents on how to accommodate that issue. He said that the work done by Chief Financial Officer Joanne Yestramski and the Presidents lead him to believe that it is doable so that by the time the System comes back to the Board in May it will have a budget that will work in spite of the adversities it faces.

In anticipation of this being his last meeting as Interim Chancellor, Mr. McDowell thanked the Board, the staff, and the Presidents with whom he has worked over the passed few months.

Interim Chancellor McDowell also thanked President Hoff for hosting the dinner the night before. He then asked each President to comment as appropriate.

During their comments, all the Presidents expressed their appreciation to Mr. McDowell for his work as Interim Chancellor.

UM. President Hoff reported that he is pleased to be able to show the Board the progress being made in the Union and the facilities on campus. He said he hoped that on the next visit they would be able to tour
Hitchner Hall, the new Alumni House, which is opening in May. He said the upgrading of facilities has made a difference in the quality of campus life and he is happy to be able to share the progress being made. He said Spring enrollments look good. The numbers being tracked in the Fall are about 500 ahead of last year and for Spring about 600. He noted a stronger retention going into the Spring semester. He thanked the Academic Affairs Committee for forwarding the new B.F.A. degree for approval. President Hoff reported that the university has already raised $1 million of the $2.5 million of fund raising noted in the bond referendum with regard to the two buildings for visual arts.

**UMF.** President Theo Kalikow commented on the donation of $5 million for a community arts center by an anonymous benefactor to the University of Maine at Farmington. She reported that the donor is very interested in the arts and is impressed that UMF partners so well with the community on important cultural, academic, and social issues. It is not something that the University will fund-raise for right away, according to the President., because there is an education center to do first to comply with the bond issue. However, the University is doing long-range planning for the arts center so that when it becomes a reality in the future it will be self-sustaining and a "wonderful" addition to western Maine.

**UMPI.** President Nancy Hensel distributed a CD of the University that is a part of their admissions materials. The Council for the Advancement and Support of Education has selected the CD to receive one of its awards at its annual meeting. On the home front, the campus has been working on its accreditation visit, starting the self-study process as part of that, updating its strategic plan, assessment of student learning outcomes, and setting benchmarks for its strategic plan. Enrollment and retention looks good for Spring.

**UMM.** President John Joseph reported that on January 5 the University of Maine at Machias will join with the Town of Machias and the Washington Hancock Community Agency, Trustee Prescott’s agency, in the grand opening of the Child Care Center. He invited the membership to join in the festivities if it is possible for them to do so. He said the campus is engaged in pervasive strategic planning, which has given an opportunity to look at every academic program and administrative unit and review strengths, weaknesses, and opportunities.

**USM.** President Richard Pattenaude reported that Spring enrollments are up 6%, which gives momentum into the Fall, and gives a good foundation for the difficult budget work that the campus will be doing. USM’s senior staff recently had a budget retreat and they now have a draft plan to meet the budget reduction, which they will be refining for distribution on campus. The American College Theater has selected one of USM’s plays for their award presentations. One of the original scores was written by a student in the music department.

**UMFK.** President Zillman reported that there was a 66% response in the St. John Valley for the bond referendum. Discussions on facilities planning have given the campus administration a good sense of where campus building should go, including fund raising, relative to five-year planning. He also reported that the Admissions Office is being structured in a much more organized and competitive way. And lastly, copies of the new logo will go out to the Board very shortly, but first response to it on campus and in the community has been supportive.

**UMA.** President Charles Lyons reported that enrollment is up--credit hour generation is 7.1% over the same date last year. Building projects in Augusta and Bangor are moving forward with the Board’s help. The Enrollment Management Plan is also moving along. A security audit of the campus was completed recently and an action plan is in place. And, the administration is exploring what it would mean to take the University to a trimester model. University College in its ten locations around the State is up 11% in enrollment. President Lyons also reported that there are new operations in Bath and Oxford Hills and the building plans are moving along nicely with thanks to David Wilson, Facilities Director.

### 5. Resolution for Exclusion of Certain Directors or Officers.

On motion of Trustee Mullen, which was seconded by Trustee DiMatteo, the Board of Trustees unanimously approved the following:

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, 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), 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 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: J. Duke Albanese, Ryan J. Anderson, Judith W. Andrucki, Gregory G. Cyr, John R. DiMatteo, P. James Dow, Edward A. Fox, Albert B. Glickman, Charles L. Johnson, III, William D. Johnson, Barry D. McCrum, James D. Mullen, Sandra K. Prescott, Wickham Skinner, Margaret A. Weston.

6. Committee Reports.

Academic Affairs. Trustee Wickham Skinner reported for the Committee. The Committee discussed the B.F.A. in Studio Arts at UM, and the B.S. in Environmental Science and Policy at USM. He also reported that there was a broad discussion of the ingredients involved in formulating strategies to meet present challenges.

Student Affairs. Trustee Sandra Prescott, Chair, reported for the Committee. The Committee looked at the issue of cost, access, and affordability for students in the University of Maine System. Differences in the types of students attending the System were noted. She said the Committee and the Board takes very seriously the increases in fees and in room and board and is working with the Academic Affairs and Finance Committees to balance the budget appropriately without impacting students any more than necessary. Trustee Prescott said it is important that the Board and the Committee support the marketing of the University of Maine System and advocate for the Legislature to understand the importance of educating Maine’s students. She said the Committee concluded that the investment in higher education is there and it is affordable.

Investment Committee. Trustee Wick Johnson, Chair, reported for the Committee. The Committee reviewed two proposals from investment advisors and, as a result, a new firm will be handling oversight of the System’s investments. The Committee has also been reviewing policies and goals.

Finance/Facilities Committee. Trustee John DiMatteo, Chair, reported for the Committee. The Committee heard a progress report on a multi-year planning effort that will be an important tool, he said, to give the Board a more comprehensive grasp of the budgeting process and for strategic planning. The Committee also heard a report on the capital plan, fund-raising, and bonded indebtedness. And lastly, the Committee received its first annual R&D report. Trustee DeMatteo said that over the last three years, the System has dramatically increased its ability to attract research and development funds from the Legislature, from fund raising efforts, and from its ability to leverage those funds upward by matching grants, particularly from the Federal government. Trustee DiMatteo reported that all the aforementioned discussions have
long-range implications.

7. Consent Agenda. Trustee Gregory Cyr presented the consent agenda. He noted that three items would be voted on separately: UMS Revenue Bonds and Fundraising; Approval of Collective Bargaining Agreements; and the Proposed Revisions to Facilities Policies, which will be dealt with at a later date.

On motion of Trustee Cyr, which was seconded by Trustee Fox, the following items were unanimously approved by the Board of Trustees:

Honorary Degree Nominations, as amended. The Board of Trustees approved the 2002 nominations for Honorary Degrees as amended.

Establishment of B.F.A., Studio Art, UM. The Board of Trustees approved the establishment of the Bachelor of Fine Arts in Studio Art at the University of Maine.

Establishment of B.S., Environmental Science/Policy, USM. The Board of Trustees approved the establishment of the Bachelor of Science in Environmental Science and Policy at the University of Southern Maine.

Acceptance of Gifts, Grants, and Awards. The Board of Trustees accepted with gratitude all gifts, grants and awards received since the last Board meeting.

Proposed Revisions to Facilities Policies 801 and 802. The item on proposed revisions to Facilities Policies 801 and 802 was removed from the agenda to be presented at a later date.

Approval of Lease at Aroostook Farm, UM. The Board of Trustees authorized the leasing of approximately one acre of land at Aroostook Farm in Presque Isle to the Maine Potato Board for a period of twenty years, for the purpose of constructing a potato research building, with a total rental fee of $1.00. Authorization is contingent upon project viability, approval by the Maine Potato Board, approval of construction plans and documents by the University and approval of all legal documents by University Counsel.

Transfer of Property in Manchester, Maine, UMA. The Board of Trustees authorized the transfer of 15 acres of land and buildings of the Collins Estate in Manchester, Maine, to Support Solutions, a non-profit organization, and further authorized the transfer of the remaining acreage of the Collins Estate to the State of Maine Department of Inland Fisheries and Wildlife as an addition to the Jamies Pond recreational area, subject to review by staff and approval of all legal documents by University Counsel.

Property Acquisition, UMF. The Board of Trustees authorized the purchase of 1.2 acres of land on Prescott Street in Farmington from Donald Baud for $32,000, with funds being provided from auxiliary enterprise operating funds, subject to review by staff and approval of all legal documents by University Counsel.

Health Insurance Bid Process. The Board of Trustees authorized the Chancellor to conclude the review of proposals for the University of Maine System Group Health plan and to execute a contract for either insured or self-insured coverage for the period beginning July 1, 2002.

The Board approved the next two items individually:

UMS Revenue Bonds and Fundraising, as amended. Trustee Cyr noted an amendment to the resolution and read the resolution as follows:

The Board of Trustees authorized the System Treasurer on behalf of the University of Maine System to issue revenue bonds totaling $99,000,000 for the capital projects as presented and for refunding outstanding bonds and the resolution as presented is hereby approved; and that the fund raising/capital campaign requirements totaling $27.2 million as presented are hereby approved. Projects requiring fund-
raising will not begin construction until the required funds have been pledged and/or received.

**Approval of Collective Bargaining Agreements, as amended.** With Trustee Prescott abstaining from voting because of a perceived conflict of interest,

The Board of Trustees authorized the Chancellor to conclude collective bargaining agreements with the Associated Faculties of the University of Maine System, MEA/NEA; Teamsters Local Union #340 Service and Maintenance Unit; Teamsters Local Union #340 Police Unit; and the Part-time Faculty Association, AFT Local #4593, AFL-CIO.

**8. Information Items.** The following material was included in the discussion materials for information only:

- Academic Calendar
- Formulating Strategies to Meeting Future Challenges
- Multi-Year Financial Planning--Progress Report
- Annual R&D Report
- Access to Undergraduate Education
- Board Agenda Calendar
- Summary of Current Statistics

**9. Date of Next Meeting.** The date of the next meeting will be March 17-18, 2002, at the University of Maine at Machias.

Trustee Fox noted that three of the institutions at the University of Maine System are using Noel-Levitz, a consulting firm, for work in process. The company that Trustee Fox chairs has informed him that it now owns Noel-Levitz and he said he was disclosing for the public record that he had nothing to do with the contract and is receiving no benefit.

On motion of Trustee Mullen, which was seconded by Trustee Fox, the meeting was adjourned.

Sandra F. Johnson for
Mary Ann Haas, Clerk