




Board of Trustees
15 Estabrooke Drive
Orono, ME 04469

Tel: 207-581-5840
Fax: 207-581-9212
www.maine.edu

December 5, 2017

TO: Executive Committee
FR: Ellen Doughty,  Interim Clerk of the Board
RE: December 7, 2017 Executive Committee Meeting

The University of Maine

University of Maine
at Augusta

University of Maine
at Farmington

University of Maine
at Fort Kent

University of Maine
at Machias

University of Maine
at Presque Isle

University of
Southern Maine

The Executive Committee will meet on **December 7, 2017 at 9:00 am**. The meeting will be at the **Rudman Conference Room, Room 253, 2nd Floor, Estabrooke Hall, 15 Estabrooke Drive in Orono.**

It is anticipated the Committee will go directly into Executive Session. There will be action items to approve at the conclusion of the Executive Session.

In addition to the Rudman Conference Room, a conference call connection has been reserved for the public component of the meeting:

PHONE: 1-800-605-5167 code 743544#

A separate conference call number will be distributed for the Executive Session.

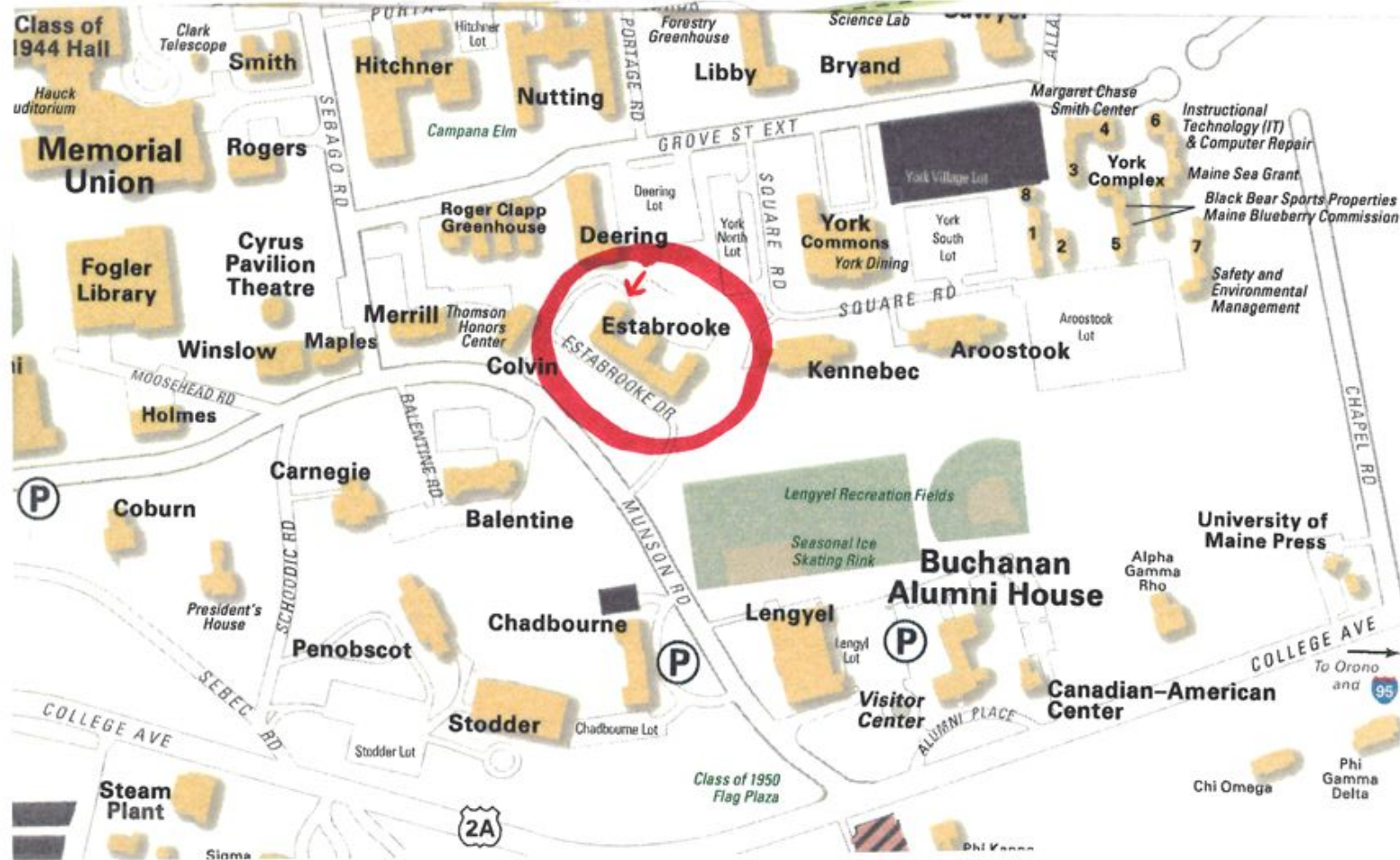
If you have any questions or desire additional information, please call me at 581-5841.

cc: UMS Trustees
James Page
Robert Neely
James Thelen

University of Maine System

15 Estabrooke Drive, Orono

Rudman Conference Room
253 Estabrooke Hall, 2nd Floor
15 Estabrooke Drive, Orono



Directions to the UMS located on the UMaine Campus

From the South on I-95: take exit 191 to Kelly Road and turn right. Continue on Kelly Road for 1 mile until you reach the traffic light, then turn left onto Route 2 and go through downtown Orono. Cross the river. Turn left at the lights onto College Avenue. Buchanan Alumni House will be the first campus-related building on your right. Right after the Buchanan Alumni House, take a right onto Muson Road. Estabrooke Hall is the building on the right after Lengyel.

From the North on I-95: take exit 191 to Kelly Road and turn left. Continue on Kelly Road for 1 mile until you reach the traffic light, then turn left onto Route 2 and go through downtown Orono. Cross the river. Turn left at the lights onto College Avenue. Buchanan Alumni House will be the first campus-related building on your right. Right after the Buchanan Alumni House, take a right onto Muson Road. Estabrooke Hall is the building on the right after Lengyel.

The UMS is located on the 2nd floor of Estabrooke Hall. Enter Estabrooke Hall from the back of the building, the entrance closes to Deering Hall.

Board of Trustees
University of Maine System

Executive Committee Meeting
by conference call

December 7, 2017 9:00 am – 10:00 am

AGENDA

Executive Session

This committee will go into Executive Session to discuss economic development and consultation with General Counsel.

Tab 1 – Establishment of the Graduate School of Business as an entity within the University of Maine Business School

Tab 2 - Ratification of Corporate Actions and Authorization for Maine Center Ventures Board to Act

Action items are noted in red.

Note: Times are estimated based upon the anticipated length for presentation or discussion of a particular topic. An item may be brought up earlier or the order of items changed for effective deliberation of matters before the Committee.



AGENDA ITEM SUMMARY

1. **NAME OF ITEM:** Establishment of the Graduate School of Business as a new school within the University of Maine Business School
2. **INITIATED BY:** James H. Page, Chancellor
3. **BOARD INFORMATION:** **BOARD ACTION:** X
4. **OUTCOME:** **BOARD POLICY:**
 Increase Enrollment
 Improve Student Success & Completion
 Relevant Academic Programming
5. **BACKGROUND:**

The University of Maine proposes reorganizing the Maine Business School to be comprised of two schools: the Graduate School of Business and the Undergraduate School of Business. Both academic units will be housed within the Maine Business School. The Graduate School of Business will house UMaine's MBA program; the USM MBA program will be phased out and be included within the UMaine MBA degree program. The Graduate School of Business will be led by a new dean who will be located in Portland, report to the UMaine provost, and work closely with the undergraduate business deans.

The Graduate School of Business will be part of the Maine Center for Graduate and Professional Studies consortium, along with the University of Maine Law School degree programs and USM's Masters of Public Health and Masters of Public Policy & Management programs.

The creation of the Graduate School of Business will result in significant growth of the Business faculty in at least two ways. First, qualified Business faculty from USM will have appointments on the Graduate School of Business faculty. Second, with the assistance of a private foundation, three faculty members (one of whom will serve as dean) will be added to the Graduate School of Business faculty.

There are many benefits to expanding the UMaine Business faculty in this way, including: curricular innovation, delivery innovation, research collaboration, program development, greater business engagement, and expanded student experience. Opportunities for student internships and faculty-industry collaborations especially will increase by expanding the footprint of Maine's MBA program into Portland.

12/06/2017

6. TEXT OF PROPOSED RESOLUTION:

That, in accord with existing UMS and University policies and contractual requirements, the Board of Trustees authorizes the establishment of the Graduate School of Business a new school within the Maine Business School at the University of Maine.

12/06/2017

Office of the President



5703 Alumni Hall
Orono, Maine 04469-5703
Tel: 207.581.1512
Fax: 207.581.1517
umaine.edu

December 5, 2017

Dr. James Page, Chancellor
University of Maine System
267 Estabrooke Hall University of Maine
Orono, ME 04469

Dear Chancellor Page,

The University of Maine is seeking approval from the University of Maine System Board of Trustees to establish the Graduate School of Business as an entity within the Maine Business School. The attached proposal has been reviewed by the Faculty Senate at the University of Maine. Admittedly, there was not a positive vote for creation but the process of shared governance permitted a discussion of the merits of the proposal and the steps that the University would take to address concerns related to the proposal.

Please let me know if further information is desired.

Sincerely yours,

Susan J. Hunter, Ph.D.
President
University of Maine
University of Maine at Machias
5703 Alumni Hall, Suite 200
Orono, ME 04469
Phone: 207 581-1512
Email: hunter@maine.edu

Cc: Dr. Jeffrey Hecker, Provost

Enclosure

Proposal for Formal (Phase 3) Review
Program Creation and Reorganization Review Committee
October 9, 2017

Part I. *A detailed statement including all of the following elements, numbered as they are numbered below.*

- 1. A description of the proposed program creation or reorganization and identification of the program(s) involved. The description should address changes in reporting relationships, organizational designators (e.g., school vs. department), and the location of faculty lines.*

The university proposes reorganizing the Maine Business School so that it will be comprised of two schools: the Graduate School of Business and the Undergraduate School of Business. Both academic units will be housed within the Maine Business School. The proposed Graduate School of Business will offer the MBA program in Portland and Orono and online. The Graduate School of Business will house all future graduate programs in Business developed by any University of Maine System university. The Graduate School of Business faculty will be made up of UMaine Business faculty members with graduate appointments and Business faculty from the University of Southern Maine with graduate appointments at UMaine. The Graduate School of Business will be led by a dean who will be located in Portland and who will report to the UMaine provost. The Undergraduate School of Business faculty will be made up of UMaine Business Faculty and will be led by a dean located in Orono who will report to the UMaine provost. Most faculty in the Maine Business School teach at both the undergraduate and graduate levels. Therefore, the graduate and undergraduate deans will work in close coordination.

The faculty of the Undergraduate School of Business will consist of those UMaine faculty members who teach at the undergraduate level only and those UMaine faculty members who teach at both the undergraduate and graduate level. The faculty of the Graduate School of Business will consist of the UMaine faculty members who teach at the undergraduate and graduate level, the USM faculty members with graduate appointments at UMaine, and the two new UMaine faculty members (see below) who will teach at the graduate level only (at least for the first three years of their appointments). The attached figure illustrates the organization of the faculty and the reporting lines for the faculty subgroups.

- 2. A rationale for the proposed reorganization. The rationale should include concrete examples of expected benefits for students, faculty, the University, and the people of the State of Maine.*

Currently the University of Maine System offers two MBA programs – one at USM and one at UMaine. There is competition between these two programs for students and enrollment in graduate Business degree programs at both universities has declined over the past decade.

MBS Reorganization Proposal 2

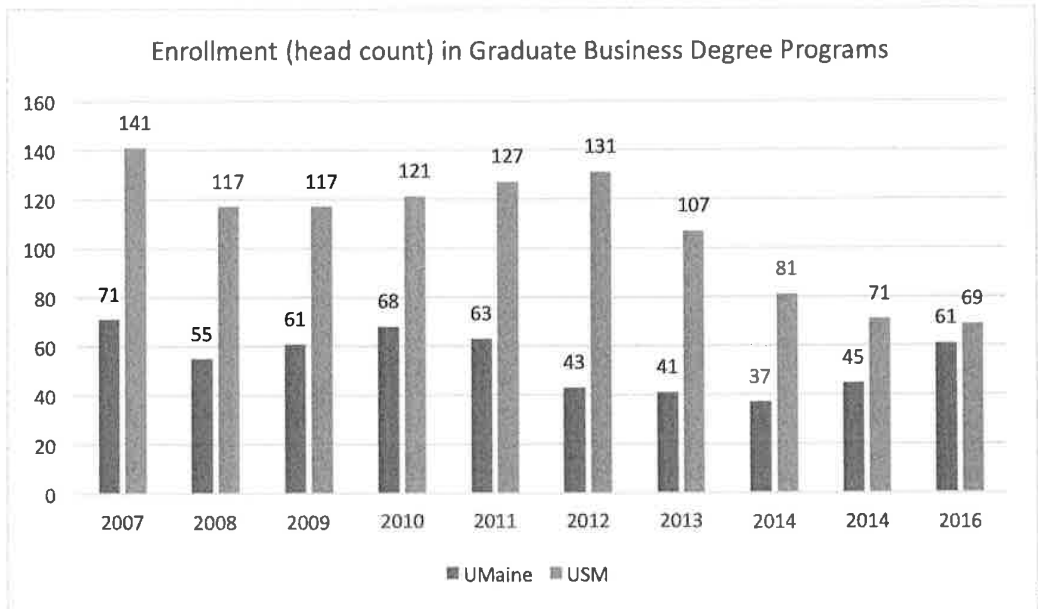


Figure 1. Graduate enrollment

The Graduate School of Business will house the single graduate faculty in business in the University of Maine System. With the appointment of qualified USM faculty to UMaine's graduate faculty in Business, and the addition of the three new hires (see below), the graduate business faculty will more than double in size. The larger faculty will allow for the development of curricular options, and delivery options, that are not available to either MBA program at this time. In addition, the larger faculty will create the potential to develop new graduate certificate and/or degree programs. Co-locating the UMaine MBA program in Portland and the Bangor area – two of the state's largest business centers – will create more opportunities for internships and other university-business collaborations.

The Graduate School of Business will be part of the Maine Center for Graduate and Professional Studies along with the University of Maine Law School degree programs and USM's Masters of Public Health and Masters of Public Policy & Management programs, creating increased opportunities for collaboration among these graduate programs. The Maine Center for Graduate and Professional Studies is not an academic unit but rather a collaboration among academic programs. The vision for the center is to promote collaboration among the graduate program partners to better serve students, businesses, and industry.

¹ UMaine enrollment figures include students in the MS in Accounting program that was discontinued in 2010. UMaine enrollment figures do not include head count of non-matriculated students enrolled in graduate certificate programs which ranged from 1 in 2011 to 11 in 2016.

Specific benefits for students, faculty, the university and the state of Maine include the following.

1. The creation of the Graduate School of Business will result in significant growth of the Business faculty in two ways. First, qualified Business faculty from USM will become members of UMaine's graduate Business faculty. Second, with the assistance of a private foundation, three faculty members (one of whom will serve as dean) will be added to UMaine's Business faculty. There are at least four benefits to expanding the UMaine Business faculty in this way.
 - a. Curricular innovation – given its increased depth and breadth, the faculty will be able to explore additional ways to innovate the MBA curriculum to better serve students.
 - b. Delivery innovation – the faculty will have the critical mass needed to develop alternate delivery methods to reach more students in flexible ways.
 - c. Research collaboration – closer collaboration between the USM and UMaine Business faculties, and the addition of faculty lines, will facilitate research collaborations among faculty members.
 - d. Program development – the larger graduate Business faculty, the proximity to Maine's business centers, and the collaboration with the Law School and Muskie School will create opportunities for faculty to develop new graduate certificate and/or degree programs.
2. Portland is the business center of Maine. More, and larger, companies are located in the greater Portland area than in any other part of Maine. Opportunities for student internships and faculty-industry collaborations will increase by expanding the footprint of Maine's MBA program into Portland. Furthermore, the greater Portland area is a rich market of potential students for the MBA program.
3. Co-locating the dean of the Graduate School of Business in Portland will facilitate collaboration among professional programs. Specifically, the University of Maine School of Law and the USM Masters of Public Policy and Management programs are located in Portland. There will be increased opportunities for curricular and research collaborations among these programs.
4. The Harold Alfond Foundation is Maine's largest private philanthropic foundation and is dedicated to improving the lives of Maine people. The Foundation values collaboration. The Alfond Foundation has been a partner in creating the vision for the Maine Center for Graduate and Professional Studies. The Foundation will provide the funding to hire the dean as well as two new faculty members and has signaled an interest in growing its support for the Center contingent upon the progress made in the coming years. (Outside of the Graduate Center, Alfond Foundation has been a strong supporter of UMaine athletics, recently gave a naming gift for the Alfond W² Ocean Engineering Laboratory as well as a gift to create the Stephen King Chair in Literature, and has supported the commercialization of UMaine intellectual property. It behooves the university to steward its relationship with the Alfond Foundation.)

MBS Reorganization Proposal 4

5. The creation of the Graduate School of Business will result in financial support from the Alford Foundation to build two state of the art “smart” classrooms, one in Orono and one in Portland, that will allow for high quality teaching at multiple locations.
 6. Currently, there are two MBA programs offered in the University of Maine System, one at UMaine and one at USM. The Graduate School of Business will house UMaine’s MBA program and USM will suspend admissions to its program and phase it out. A single MBA program will eliminate competition between the two UMS programs, provide opportunities to improve UMaine’s MBA (see 1a and 1b above) and, consequently, better serve students and the state of Maine.
 7. The undergraduate enrollment in the Maine Business School has grown steadily over the past several years. In the past five years (fall 2012 through fall 2016), undergraduate enrollment has grown 22% (283 students). While the central administration has reallocated faculty lines into the Maine Business School to meet the demand, the investment has not kept pace with growth. The addition of faculty resources dedicated to graduate education should free up faculty to better meet the needs of the growing undergraduate enrollment.
3. *A list of potential impacts, including budget impacts. The discussion of budget impacts should identify the amount of E&G budget to be transferred between units, the magnitude of any additional expenses that the receiving unit will be expected to bear as a result of the restructuring, and the number of budgeted positions to be transferred between units. The response should also project the number of faculty positions the reorganized unit is expected to have budgeted to it three years and five years after the reorganization is implemented. To the extent possible, the narrative should identify expected changes in the support budget of the reorganized unit three and five years hence.*

The budget impacts of the proposed reorganization are best understood in phases. The initial phase of the reorganization will require no new E&G investment. Funding for the new positions (the dean of the proposed Graduate School of Business and two faculty lines) will come from the Harold Alford Foundation. There is adequate funding in the HAF gift to fund these positions for three years. Operating funds and funds for support staff will also be covered by the HAF gift for the first three years. The USM Business faculty will be appointed to the graduate faculty of the UMaine MBS but their salary lines will continue to reside at USM.

The salary line for the Dean of the Graduate School of Business will move to E&G in fiscal year 2022 and the salary lines the two faculty positions will move to E&G base funding in fiscal year 2023 (see #4 “*The timing for implementation...*” below). The estimated E&G investments into the Maine Business School to cover the salary and benefits for these positions are \$270,000 in fiscal year 2022 and \$450,000 in fiscal year 2023.

The following factors justify the administration’s commitment to invest these funds into the Maine Business School.

- 1) *Growth of undergraduate enrollment.* As indicated above, the enrollment in the Maine Business School has been steadily increasing over the past several years. The university will need to make investments in the school to assure that students continue to receive a high-quality education. As described above, investments in the faculty resources directed at graduate education will free up resources to direct toward undergraduate education.
- 2) *Growth in graduate enrollment.* As Figure 1 above illustrates, enrollment in graduate programs at UMaine has rebounded, with fall 2017 graduate enrollment continuing the trend seen in 2015 and 2016. The resurgence in graduate enrollment at UMaine is due to the creation of an on-line option for the MBA degree and the development of graduate certificate programs.
- 3) *Enrollment potential.* The creation of the Graduate School of Business will create the opportunity to develop new curricula, new certificate and degree programs, innovative pedagogies, and new delivery methods (see above). These innovations, along with an aggressive marketing campaign, has the potential to significantly impact enrollment in graduate Business programs.
- 4) *Additional support from the Harold Alfond Foundation.* The HAF is invested in the Maine Center for Professional Graduate Studies and is committed to its success. UMaine will seek additional support when the current commitment from the Foundation expires. If successful, this support may reduce the E&G investment required for the dean and faculty positions (i.e., we intend to request funds to endow one or more of these positions).

4. *The timing for implementation of any decisions*

The following timetable is a best estimate of the points at which important benchmarks will be met.

November 15, 2017	Faculty Senate makes recommendation to President Hunter regarding the reorganization of the Maine Business School.
December 1, 2017	President approves reorganization of the Maine Business School. Search for Dean of the Graduate School of Business begins.
December 15, 2017	Submit letter notifying AACSB of substantive change. Submit letter notifying NEASC of substantive change.
January, 2018	UMaine and USM Business faculties begin discussion of curricula, pedagogy, and delivery innovation.
September, 2018	Search for HAF-funded faculty positions begin. USM begins teach-out of MBA program; USM MBA students have choice between USM teach-out curriculum and UMaine MBA curriculum.
September 1, 2019	HAF-funded faculty members start.

MBS Reorganization Proposal 6

July 1, 2021 Dean of Graduate School of Business line move to E&G.

September 1, 2022 HAF-funded faculty lines move to E&G.

5. *Any other information that the proposer wishes the Committee to examine in its deliberations.*

None at this time.

Part II. *Below are two lists of considerations (supportive and not supportive) that may be pertinent to an evaluation of the desirability of the proposed reorganization. The proposer should identify those items (e.g., 1a, 2b, etc.) that pertain to the proposal under consideration and include a statement explaining the relevance of each checked item.*

1. *Criteria Supporting Reorganization:*

- a. *On a national or international level, the profession or discipline has changed.*

The options for students interested in obtaining a graduate business degree are expanding. The number of online MBA programs have grown. Many programs have developed niche options within their MBA programs. The creation of the Graduate School of Business will create opportunities for the faculty to develop curricular options, pedagogical innovations, new degree programs, and alternative delivery options.

- b. *Reorganization will better serve the strategic focus of The University of Maine.*

The strategic vision for the University of Maine System is guided by the “One University” concept. While not clearly defined, key aspects of the One University concept are a decrease in competition and increase in collaboration among UMS universities. As the Flagship campus of the University of Maine System, it is to UMaine’s strategic advantage to take a leadership role in advancing the One University concept. The creation of the University of Maine’s Graduate School of Business comes with a commitment from the University of Maine System that all graduate Business programs offered by UMS will be housed within UMaine’s Graduate School of Business. The creation of the Graduate School of Business, therefore, will strengthen UMaine’s position as the leader of graduate education in Maine.

- c. *The proposed reorganization provides a competitive advantage to the unit.*

The proposed reorganization will result in UMaine’s MBA program being the only AACSB accredited graduate business program in Maine. The opportunities for curricular and pedagogical innovation associated with the expansion of the graduate faculty has the potential to give the Graduate School of Business a competitive advantage in the graduate Business education market.

- d. *The viability of the unit is at risk without refocus of direction.*

- e. *The program's scope is too narrowly focused and needs broader, perhaps interdisciplinary, focus or conversely the program scope is too broadly focused and needs tighter focus.*
- f. *Two or more programs have a substantial similarity or affinity of objectives such that economics of operation or improvement in quality may reasonably be expected from their consolidation.*
- g. *The clarity of the program's identity and function will be increased by transfer to or consolidation with another program.*
- h. *The program's contribution to The University of Maine missions of teaching, research, and service does not justify maintenance of its present size.*
- i. *The program is one that if reduced will not substantially impair the viability or quality of other university programs.*
- j. *Budgetary constraints require reorganization of a program within a department, school, or college.*

2. Criteria Contraindicating Reorganization:

- a. *The reorganization is sufficiently uncommon within higher education so as to render difficulty in recruitment and retention of quality students and faculty.*

The proposed reorganization is indeed uncommon. Of the 400+ universities with Association to Advance Collegiate Schools of Business (AACSB) accreditation in the United States, none is organized into undergraduate and graduate schools with separate deans reporting to a provost. There are five AACSB accredited programs outside of the United States that are structured in a similar fashion (i.e., distinct graduate and undergraduate organizations under a single accreditation). By and large these are at universities much larger than the University of Maine with much larger Business faculties and much higher enrollments.

The point has been made that the reorganization will make it difficult to recruit and retain quality faculty members. The premise underlying this concern is that the creation of the Graduate School of Business with a dean located in Portland will diminish involvement of the UMaine faculty in graduate education. Involvement in graduate education is an important professional activity for many faculty in the Maine Business School. Should their involvement in graduate education decrease, they may be more likely to leave UMaine. Similarly, it may prove more difficult to recruit high quality faculty to UMaine if the potential faculty members perceive that opportunities for involvement with graduate education are limited. (There is no plan to reduce the involvement of UMaine Business faculty located in Orono in the MBA program. On the contrary, the expanded Business faculty will create the opportunity to develop additional graduate degree programs. As indicated above, one of the reasons for creating the Graduate School of Business is to create more opportunities for graduate education through expanded curricula and delivery options as well as new graduate programs. Furthermore, Eastern Maine business leaders have made clear to the UMaine administration that they want a "live" MBA in Orono for their employees. Finally, there are student populations that want to pursue their MBA at UMaine's home campus (e.g., students in 4+1 programs; students employed in the greater Bangor area).

b. The reorganization would endanger the quality and/or accreditation status, where applicable, of one or more of the programs affected.

The Maine Business School is AACSB accredited. Concerns about the impact on accreditation status have been raised by MBS Dean Manev and by the MBS faculty. The accreditation issue is extremely important. A conference call with the Manager and the Senior Director of the AACSB Accreditation Services took place on July 10, 2017. Prior to the call, the Maine Business School Dean and faculty were invited to submit questions (as were the dean and faculty from USM). These questions were submitted to AACSB ahead of time and were discussed during the call. The questions, notes from the conference call, and copies of follow-up emails can be found in Appendix A. Key take-away points from the call include: 1) accreditation can be at the institutional level with two units (Graduate School and Undergraduate School) reporting under one accreditation. 2) It is important that the mission of the Maine Business School encompasses the activities of the Graduate and Undergraduate schools. 3) There will be one "voting member" for UMaine who will need to represent both the Graduate and Undergraduate schools. 4) UMaine will need to submit a Substantive Change request if the plan moves forward.

c. The programs, though dealing with similar subject matter, are substantially different in orientation, objective, or clientele.

d. The cost reduction of reorganization would be so modest as to make such reorganization rather pointless if cost savings is the primary objective.

e. The program's reorganization would have a substantially negative impact on education and societal concerns to Maine.

f. The program's reorganization would have a substantially negative impact on strategic goals of The University of Maine.

g. The program's reorganization would result in substantial loss of revenue currently derived from grants, contracts, endowments or gifts.

AACSB Conference Call Background and Questions

From University of Maine

Situation description

The University of Maine is accredited by AACSB for its business programs: a Bachelor of Science in Business Administration and a Master's in Business Administration offered through the Maine Business School, one of its five degree granting colleges. A plan is being explored to create a new Graduate School of Business which will offer the MBA. This new Graduate School of Business will draw faculty from the graduate faculty of both the Maine Business School in Orono and the School of Business at the University of Southern Maine in Portland. It will be separate from the Maine Business School and will be headed by another Dean who will report to the Provost of the University of Maine. The future Graduate School of Business will be a part of the University of Maine and will follow curriculum and faculty policies of the University of Maine. The Graduate School of Business will be located in Portland and will offer the MBA program live in both Portland and Orono and also online. This will be the only MBA program offered by the University of Maine, and the University of Southern Maine will not offer an MBA. After the planned restructuring, the Maine Business School will remain an undergraduate school.

Questions for AACSB

1. With two separate business schools, the Maine Business School offering an undergraduate degree in Orono, and the future Graduate School of Business offering the MBA in both Portland and Orono, how will the University be accredited by AACSB?
 - a. Option 1: accreditation will continue to be at the university level, for instance with a joint mission and strategic plan for the two business schools, but separate and parallel leaders, organizational structures, finances, faculty, staff, curricula, assurances of learning, etc., OR
 - b. Option 2: separate accreditations for the Maine Business School (undergraduate) and the Graduate School of Business as two separate single business academic units?
2. If Option 1 is recommended: who will AACSB expect to be the point person on accreditation for the University of Maine? The Provost? Or the two business deans (of the Maine Business School and the Graduate School of Business) together?
3. If Option 2 is recommended: should both schools apply for separate accreditations? Or can the University of Maine's existing accreditation be extended, with a revised mission for the Maine Business School to reflect that it would no longer offer a graduate degree, while the Graduate School of Business, as a new entity with different faculty, branding, external market perception, financial relationship with the University of Maine, and sufficient unit autonomy, would apply for a new and separate accreditation as a single business academic unit?

4. If one or both schools need to apply for separate accreditations as single business academic units, does either of them have to follow the process for initial accreditation, including eligibility application, assigned mentor, self-evaluation, 6 year process, etc.? Or can the University of Maine's existing accreditation be transformed into two separate accreditations at the single business academic unit level?
5. If a determination is made that the future Graduate School of Business needs to go through a 6 year process for initial accreditation, can the University of Maine's existing accreditation for the Maine Business School be extended for its undergraduate business degree only?
6. If the new Graduate School of Business is set up prior to 2019, should it be included in the next round of Continuous Improvement Review for the University of Maine which is scheduled for 2019? (The application for CIR was filed in June 2017 without discussion of this plan, as it has not been approved yet).

from University of Southern Maine

Framing Statement:

The concept of the proposed program did not arise from either institution's normal continuous improvement processes. The degree of the proposed MBA is offered by one university (UMaine). It is not a joint degree under AACSB standards but might possibly qualify as a "partner" program. The faculty from another university (USM) will be appointed to the UMaine graduate school faculty and that faculty body will be responsible for normal governance issues EXCLUDING promotion, tenure, and peer evaluation. The business academic units at USM (School + two departments) do not operate within the institution offering the degree. The new graduate school of business at UMaine will have a Dean that reports to the UMaine Provost. There are no direct reporting lines to USM. The degree program will be publicized as a partnership offering with the Dean's office and staff residing primarily on the USM campus. The proposal calls for USM to suspend their existing MBA when admissions start to the UMaine MBA and explicitly forbids USM from offering any graduate business degrees.

Questions:

1. Does this qualify as a "substantive change event" for USM?
2. Does the proposed program fall under USM's scope of review?

Questions to ask if the program does not fall under USM's scope of review:

1. How critical is it that USM re-evaluates the mission of the School of Business? If so, what are some key items that we might want to consider when reviewing our mission?
2. How critical is it that USM reconsider the peer and aspirant institutions they selected? If so, what are some key items that we might want to consider when reviewing our peer and aspirant schools?
3. What suggestions do you have for dealing with potentially diverging standards for Scholarly Academic between USM and the UMaine GSOB?

Questions to ask if the program does fall under USM's scope of review:

1. What recommendations do you have for reporting the deployment of faculty?
Do you have any examples?
2. Do you know of any examples of a joint/partner program where the partner never awards the degree yet uses the program in their accreditation review?
3. Should both institutions revisit their missions and attempt to improve mission alignment?
4. Should both institutions re-evaluate their peer and aspirant schools?
5. Should both institutions have some shared peer and aspirant schools?

Finishing questions:

1. What key issues might this raise for USM's next accreditation review?
2. What other advice do you have for USM as they prepare for their next visit that is specific to this event?

AACSB Conference Call
7-10-2017

In attendance

USM:

James Sulieman, School of Business
Jo Williams, Dean, College of Management & Human Services
Jeanine Uzzi, Provost
Robert Heizer, School of Business
John Voyer, School of Business
Jane Kuentz, Associate Dean, College of Management & Human Services

UMaine:

Ivan Manev, Dean Maine Business School
Nic Erhardt, Associate Dean Maine Business School
Jeff Hecker, Provost
Robin Delcourt, Special Assistant to the Provost

AACSB:

Rachel Dixon-Zudar, Manager, Accreditation Services
Suzanne Mintz, Senior Director, Accreditation Services

UMS:

Robert Neely, Vice Chancellor for Academic Affairs

Notes

Provost Hecker opened the call by providing an overview of the goals of the meeting and checked that all participants had received prepared questions. Referring to the background information provided, he asked Rachel and/or Suzanne if they had clarifying questions.

Suzanne asked about the impetus for this change. Provost Hecker noted that it did not come from either campus. Rather, the UMS developed this initiative working closely with private foundation. The parameters of the gift included:

- Housed in a graduate center to be developed in Portland
- UMaine degree program
- Graduate School of Business separate from undergraduate programs and headed by a dean
- Dean will report to UMaine Provost

Provost Hecker suggested running through the submitted questions starting with those developed by UMaine. (The text of the questions is in blue, with the answers in black font.)

From University of Maine

Questions for AACSB

1. With two separate business schools, the Maine Business School offering an undergraduate degree in Orono, and the future Graduate School of Business offering the MBA in both Portland and Orono, how will the University be accredited by AACSB?
 - a. Option 1: accreditation will continue to be at the university level, for instance with a joint mission and strategic plan for the two business schools, but separate and parallel leaders, organizational structures, finances, faculty, staff, curricula, assurances of learning, etc., OR
 ANSWER: Rachel noted that the accreditation can be at the institutional level with two units (Graduate School of Business and Undergraduate program) reporting under one accreditation. She recommended this approach.
 Suzanne also recommended the institutional level accreditation approach. She raised the question of how similar the missions will be of the Graduate School of Business and the UMaine undergraduate program. The less similar they are, the more complicated to have under one accreditation. Ivan indicated that the missions will need to be revisited with an eye on at least (but not limited to): 1) Faculty overlapping, 2) Financial separation, 3) Separate Deans, etc.
 Suzanne noted that at this point in time it is appropriate to develop the new structure assuming that the accreditation will be at the institutional level; UMaine would not be the first school to do this. Ivan indicated that it would be good to have models to work with as the specifics are being developed.
ACTION: Suzanne noted that they will follow up with a list of examples, not all of which are in the US.
 A concern was raised about the implications of the language included in the MOU between UMS and the private funding agency. Specifically, the concern is that the Graduate School of Business will develop so that a small number of faculty will be assigned 100% to the graduate program and will do most of the teaching in the program. If the program develops this way the unit will be independent (i.e., few, if any, overlapping faculty). It was acknowledged that there is still work to be done before the plan is finalized. Please see additional discussion on determination of faculty size on page 4.
 - b. Option 2: separate accreditations for the Maine Business School (undergraduate) and the Graduate School of Business as two separate single business academic units?
2. If Option 1 is recommended: who will AACSB expect to be the point person on accreditation for the University of Maine? The Provost? Or the two business deans (of the Maine Business School and the Graduate School of Business) together?

ANSWER: There is only one person that is a “voting member” per AACSB policy. There are many ways to set this up, whether it be the Provost, or the Graduate School of Business Dean, or someone else. There are other various roles that can be implemented to ensure that others are involved, thereby increasing communication. Rachel and Suzanne are willing to talk through different models. To be clear, there would be one vote for USM (UG program) and one vote for UMaine (both graduate and undergraduate programs under this one vote).

3. If Option 2 is recommended: should both schools apply for separate accreditations? Or can the University of Maine’s existing accreditation be extended, with a revised mission for the Maine Business School to reflect that it would no longer offer a graduate degree, while the Graduate School of Business, as a new entity with different faculty, branding, external market perception, financial relationship with the University of Maine, and sufficient unit autonomy, would apply for a new and separate accreditation as a single business academic unit?

N/A under one accreditation.

4. If one or both schools need to apply for separate accreditations as single business academic units, does either of them have to follow the process for initial accreditation, including eligibility application, assigned mentor, self-evaluation, 6 year process, etc.? Or can the University of Maine’s existing accreditation be transformed into two separate accreditations at the single business academic unit level?

N/A under one accreditation.

5. If a determination is made that the future Graduate School of Business needs to go through a 6 year process for initial accreditation, can the University of Maine’s existing accreditation for the Maine Business School be extended for its undergraduate business degree only?

N/A under one accreditation.

6. If the new Graduate School of Business is set up prior to 2019, should it be included in the next round of Continuous Improvement Review for the University of Maine which is scheduled for 2019? (The application for CIR was filed in June 2017 without discussion of this plan, as it has not been approved yet).

ANSWER: No need to amend the CIR application. New information need to be included in the CIR report. Provide an update on progress to date.

Ivan noted the timeline is aggressive. If this plan goes forward within one year, does it need to be reported? Yes, AACSB should be kept informed as progress is made the organizational structure and program take shape. Suzanne indicated that it may be that the UMaine visit will include visits to both Portland and Orono. She would support leaving it up to the chair of the review team to decide.

Suzanne noted that AACSB accreditation is mission driven. How a school deals with the mission, through its adherence to the standards, impacts accreditation decisions. Faculty qualifications are an example.

Provost Hecker asked what will be the best way to maintain communication with AACSB as we develop, the organization structure, and the relevant policies so that we avoid the “all hell breaking loose” scenario (i.e., learning that a decision we made jeopardizes accreditation of one or both institutions). Suzanne indicated that both USM and UMaine will need to submit Substantive Change requests to the CIR Committee. There are guidelines for what to include. The next meeting is Jan 12th, 2018, so they will need to receive the Substantive Change requests by December to get on the agenda. This allows full disclosure so there are no surprises. Ivan noted that this should happen before the change is carried out.

Nic asked for clarification on why Rachel and Suzanne recommended accreditation at the institutional level that will be an umbrella for both the graduate and undergraduate programs. They offered the following reasons:

- Branding – do not anticipate a high level of differentiation between the graduate and undergraduate programs with respect to mission.
- Faculty sharing – between undergraduate and graduate programs
- Both UMaine degree

Suggestion to go onto AACSB website and look at application to proceed as a unit. The case does not appear to be strong enough for separate accreditations at this point.

from University of Southern Maine

Questions:

3. Does this qualify as a "substantive change event" for USM? Yes
4. Does the proposed program fall under USM's scope of review? Not under USM's review. In the CIR report, USM should talk about the changes and faculty involvement.

Question raised about the implications for USM accreditation of USM faculty teaching in load in the Graduate School of Business? A determination would have to be made about the portion of the faculty members' work load assigned to USM's undergraduate program and the Graduate School of Business. USM would count the portion assigned to the undergraduate program for accreditation purposes. For example, a faculty member who teaches a single course in the graduate program, might be counted as .80 FTE for purposes of USM accreditation.

Questions to ask if the program does not fall under USM's scope of review:

4. How critical is it that USM re-evaluates the mission of the School of Business? If so, what are some key items that we might want to consider when reviewing our mission? USM should reevaluate due to being undergraduate only moving forward.

5. How critical is it that USM reconsider the peer and aspirant institutions they selected? If so, what are some key items that we might want to consider when reviewing our peer and aspirant schools? **USM should look at peer/aspirant schools. Some may change, but some may not. It merits reviewing. ACTION – Rachel will send a list of undergraduate-only accredited institutions.**
6. What suggestions do you have for dealing with potentially diverging standards for Scholarly Academic between USM and the UMaine GSOB? **If USM becomes undergraduate-only, Scholarly Academic definitions between the two universities might diverge further than they are at this point in time. Faculty will need to meet the UMaine Scholarly Academic standard to teach at the Graduate School of Business.**

Questions to ask if the program does fall under USM's scope of review:

6. What recommendations do you have for reporting the deployment of faculty? Do you have any examples? **Include in review, since it impacts your school/faculty. There is a section of the CIR report that asks about changes.**
7. Do you know of any examples of a joint/partner program where the partner never awards the degree yet uses the program in their accreditation review?
8. Should both institutions revisit their missions and attempt to improve mission alignment?
9. Should both institutions re-evaluate their peer and aspirant schools?
10. Should both institutions have some shared peer and aspirant schools?

Finishing questions:

3. What key issues might this raise for USM's next accreditation review?
4. What other advice do you have for USM as they prepare for their next visit that is specific to this event?

Rachel and Suzanne noted that they are happy to meet/call again as the plan is more fully developed. Suzanne wanted to give one note of caution: when under one accreditation, if one unit has problems, it impacts the other unit. For UMaine, this means that problems with the graduate program would impact accreditation of the undergraduate program and visa-versa.

AACSB Conference Call Follow-up Emails

Good afternoon Jeff,

I hope this note finds you well and having a great day. I just wanted to follow up with you since our conference call, and see if there is any additional information you may need from me or any questions I can answer. I am happy to help if I can. Have a great day.

Regards,

Rachel
Rachel Dixon-Zudar
Manager, Accreditation Services

From: Jeffrey Hecker [mailto:hecker@maine.edu]
Sent: Wednesday, July 5, 2017 9:33 AM
To: Rachel Dixon-Zudar <rachel.dixonzudar@aacsb.edu>
Cc: Jeannine Diddle Uzzi <jeannine.uzzi@maine.edu>; Suzanne.Mintz@aacsb.edu

Jeffrey Hecker <hecker@maine.edu>

Jul
31

to Rachel

Rachel,

Thanks for the note. No questions right now but I'm sure we will have more as we progress.

In the mean time, I have attached the notes from the conference call we had earlier this month. Please look this over and please let me know if you think the summary is missing anything important or if I've misrepresented anything.

Thanks

Jeff

Attachments area



Rachel Dixon-Zudar

Aug
4

to me

Dear Jeff,

This summary matches my notes; thank you for sending it. As mentioned on the call, there are some similar examples of schools with two separate/distinct schools under one accreditation. Although these are all outside of the United States, they are good examples. To note, they are not all divided along the lines of undergraduate programs and graduate programs.

- The University of Melbourne Faculty of Business and Economics **and** Melbourne Business School (MBA)
- University of Antwerp Faculty of Economics (UG, masters, and PhD) **and** Antwerp Management School (only graduate programs)
- Putra Business School (MBA program) **and** University Putra Malaysia Faculty of Economics and Management
- Tilburg University TIAS School for Business and Society (masters and PhD programs) **and** Tilburg University Tilburg School of Economics and Management (undergraduate and masters programs)
- University of Porto School of Economics and Management **and** Porto Business School

If you have any questions, please let me know. Have a great weekend!

Regards,

Rachel
Rachel Dixon-Zudar
Manager, Accreditation Services

From: Jeffrey Hecker [mailto:hecker@maine.edu]
Sent: Monday, July 31, 2017 4:26 PM
To: Rachel Dixon-Zudar <rachel.dixonzudar@aacsb.edu>

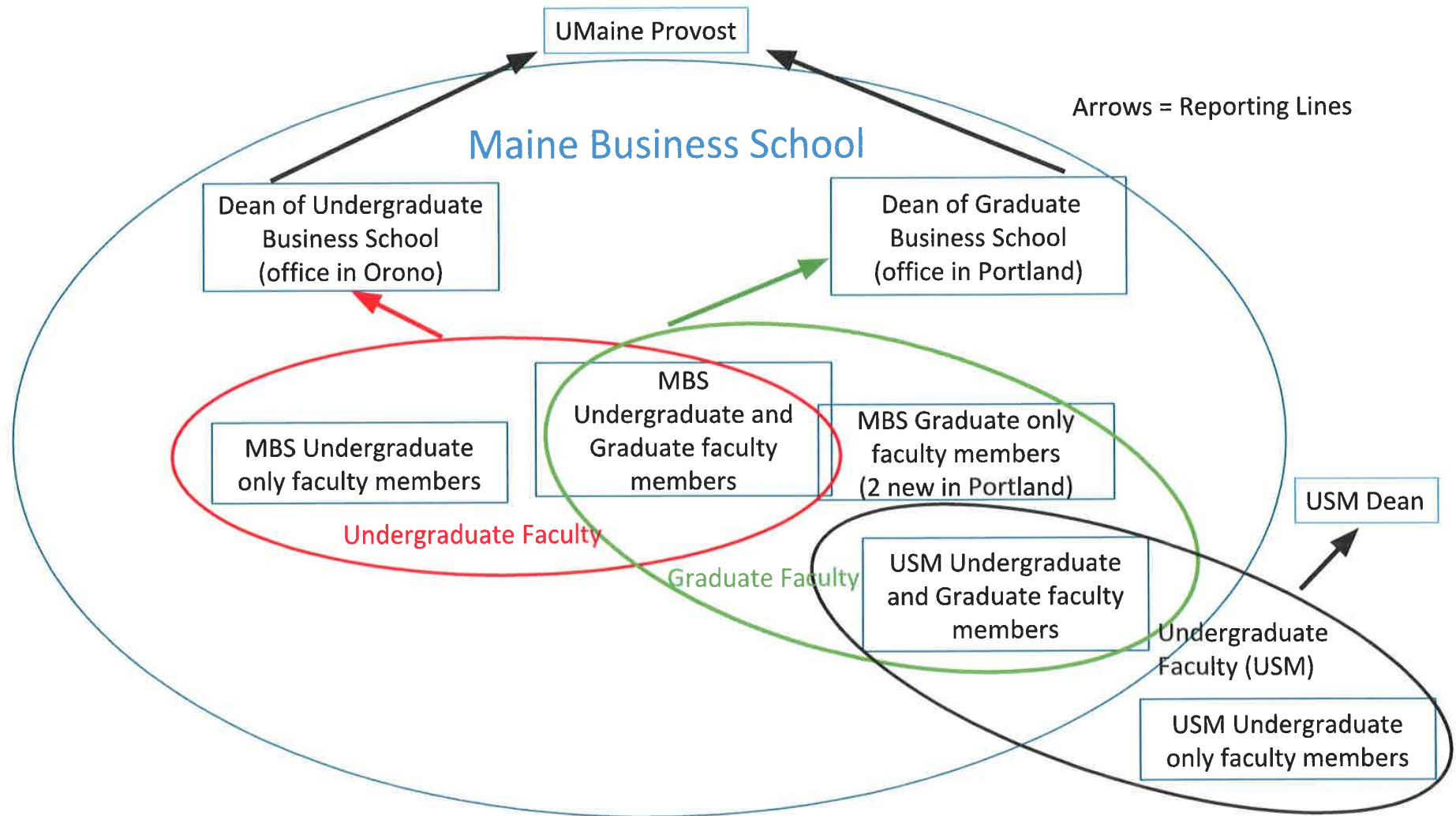
Jeffrey Hecker <hecker@maine.edu>

Aug
4

to Rachel

Thank you very much Rachel.

This is very helpful. Have a good weekend





AGENDA ITEM SUMMARY

1. **NAME OF ITEM:** Ratification of Corporate Actions and Authorization for Maine Center Ventures Board to Act
2. **INITIATED BY:** Trustee James Erwin, Chair
3. **BOARD INFORMATION:** **BOARD ACTION:** X
4. **BACKGROUND:**

At its October 23, 2016 meeting, the UMS Board of Trustees authorized by resolution an initial two-stage process to begin developing the Maine Center for Graduate Professional Studies (“Maine Center”). At the March 8, 2017 meeting of the Board’s Executive Committee, the Board authorized then Chair Collins to execute Articles of Incorporation to form Maine Center Ventures, a non-profit entity to be governed by the UMS Board. The purposes of Maine Center Ventures are to:

- (1) encourage, expand and support new academic offerings among the professional and graduate programs in the Maine Center;
- (2) develop new experiential education opportunities for students and to expand executive education and other entrepreneurial programs for Maine business;
- (3) act as a liaison between the academy and the business and professional communities to advance Maine Center objectives;
- (4) increase the focus of academic and non-academic programs and services on economic development opportunities of importance to Maine; and
- (5) be organized exclusively for charitable, religious, educational, or scientific purposes under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

On March 21, 2017, UMS staff filed Articles of Incorporation for Maine Center Ventures and, on March 31, 2017, submitted to the IRS a Form 1023, seeking federal 501(c)(3) status for MCV’s activities as a supporting organization of the University of Maine System. On September 7, 2017, the IRS granted 501(c)(3) status for MCV retroactive to its March 21, 2017 incorporation.

At its November 19-20, 2017 meeting in Orono, the Board received an update from interim MCV CEO George Campbell regarding MCV's initial activities regarding executive education, business incubation, and fundraising and outreach.

Although it will act under and with the authority of the UMS Board, the MCV Board has not to date been fully formed or held an organizational meeting to adopt bylaws and take other corporate actions in furtherance of its legal purposes and in support of the Maine Center and UMS. The UMS Board is asked to ratify MCV actions taken to date and authorize the MCV Board to form and begin taking corporate actions in its own name.

5. TEXT OF PROPOSED RESOLUTION:

That the Executive Committee acting on behalf of the Board of Trustees:

- Ratifies:
 - The March 21, 2017 filing of MCV's Articles of Incorporation; and
 - The March 31, 2017 submission of Form 1023 to the IRS to seek federal 501(c)(3) status for MCV as a public charity under Section 509(a)(3) of the IRS Code and a Type 1 supporting organization for the University of Maine System; and
- Authorizes the formation of a MCV Board comprised of:
 - Three UMS Trustees to be named by the UMS Board Chair
 - UMS Chancellor
 - University of Maine President
 - University of Southern Maine President
 - Up to five or more external members, selected and appointed by the UMS Board Chair upon recommendation of the UMS Chancellor, representing the Maine business, legal, and government/public policy sectors; and
- Authorizes the MCV Board, so constituted, to hold an organizational meeting to adopt bylaws, make such amendments to its Articles of Incorporation as may be necessary to conform to this resolution, and take further actions in furtherance of its charitable and supporting purposes.

12/6/17