



Board of Trustees
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December 19, 2019

TO: Members of the Human Resources & Labor Relations Committee

FR: Ellen N. Doughty, Clerk of the Board *Ellen Doughty*

RE: **January 6, 2020 - Human Resources & Labor Relations Committee**

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 Human Resources & Labor Relations Committee will meet from **1:00 pm to 3:00 pm on January 6, 2020**. The meeting will be located in the University of Maine System Executive Offices, Rudman Conference Room, 253 Estabrooke Hall, 15 Estabrooke Drive in Orono. The following Polycom locations will also be available:

- UMA – Room 125, Robinson Hall
- UMF – Executive Conference Room 103, Merrill
- UMFK – Alumni Conference Room, Nadeau Hall
- UMPI – Executive Conference Room, Preble Hall
- USM – Room 423/424, Glickman Library

The meeting materials will be posted to the Diligent Board Portal as well as the Board of Trustees website (<http://www.maine.edu/about-the-system/board-of-trustees/meeting-agendas/human-resources-labor-relations/>).

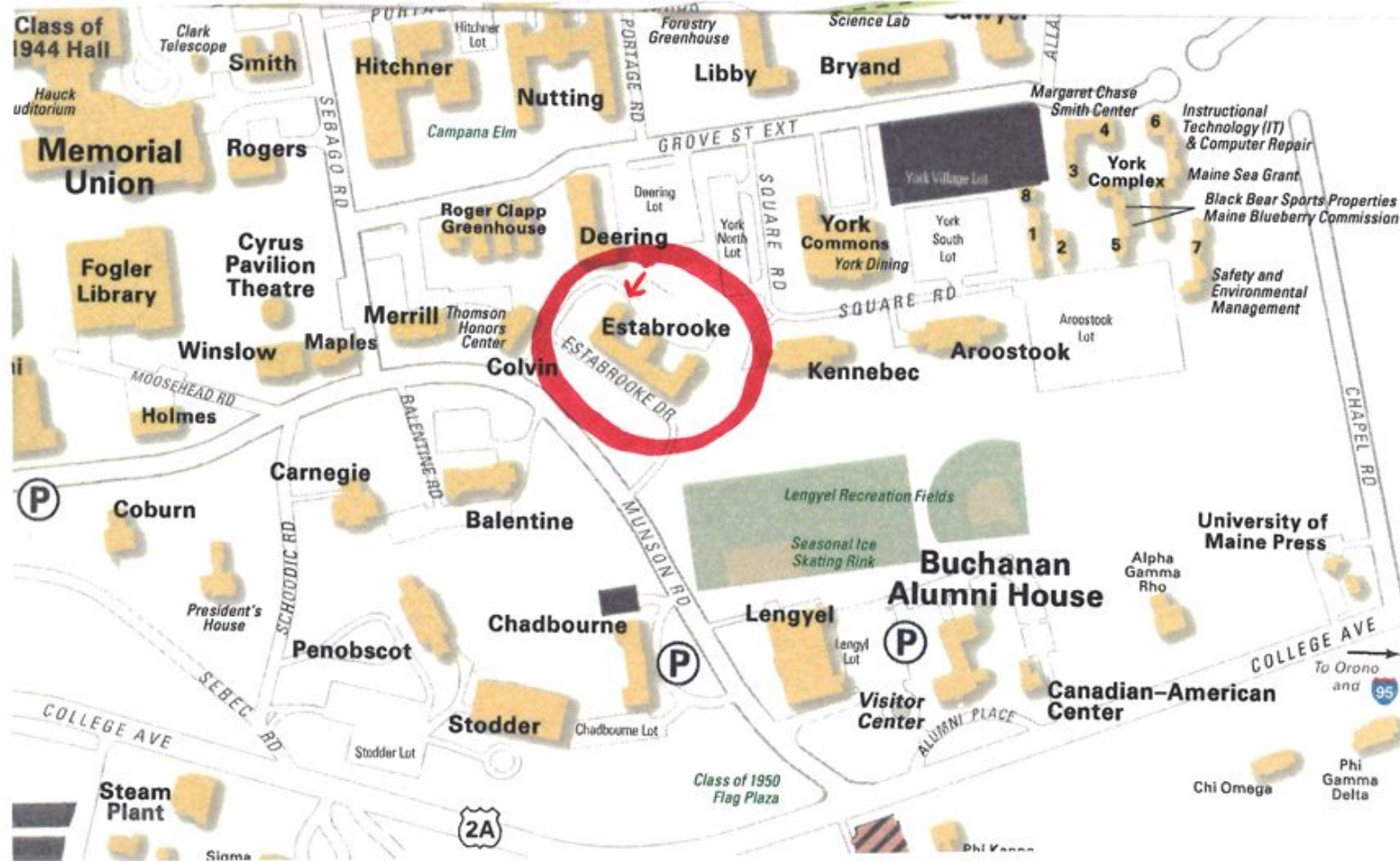
If you have questions about the meeting arrangements or accessing the meeting materials, please call me at 581-5840. If you have any questions or desire additional information about the agenda items, please call Chris Lindstrom at 581-1640.

cc: Chancellor, Dannel Malloy
Board of Trustees
University Presidents
System Staff

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

Human Resources & Labor Relations Committee

January 6, 2020

1:00 – 3:00 PM

Rudman Conference Room, 253 Estabrooke Hall, Orono, Maine

AGENDA

TAB 1 [Enterprise Risk Management – Human Resources](#)

EXECUTIVE SESSION

The Human Resources & Labor Relation Committee will come out of executive session to discuss the following:

TAB 2 [Board of Trustee Policy 411 Health Insurance for Retirees and Former Employees on Long Term Disability](#)

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:** Enterprise Risk Management – Human Resources
2. **INITIATED BY:** James R. Erwin, Chair Pro tem
3. **BOARD INFORMATION:** X **BOARD ACTION:**
4. **OUTCOME:** **BOARD POLICY:**
5. **BACKGROUND:**

Gretchen Catlin, Risk Manager, will present an update to the Human Resources and Labor Relations Committee regarding the implementation of Enterprise Risk Management (ERM). Previous guidance from Trustees has been reflected in the development and implementation of the ERM program. Trustees suggested that the ERM program should:

- Identify a specific Trustee committee for oversight of each identified risk;
- Rate each risk based on materiality and scope;
- Be manageable within existing resources; and
- Be actionable.

Based these suggestions, Risk Management is preliminarily tracking 15 University risks. Two risks are assigned to the Human Resources & Labor Relations Committee for oversight. Each risk is also assigned a leader who is responsible for implementing mitigation and control strategies.



Enterprise Risk Management

Human Resources and Labor Relations Board Committee Meeting

Gretchen Catlin, BS, CHC
System Risk Manager

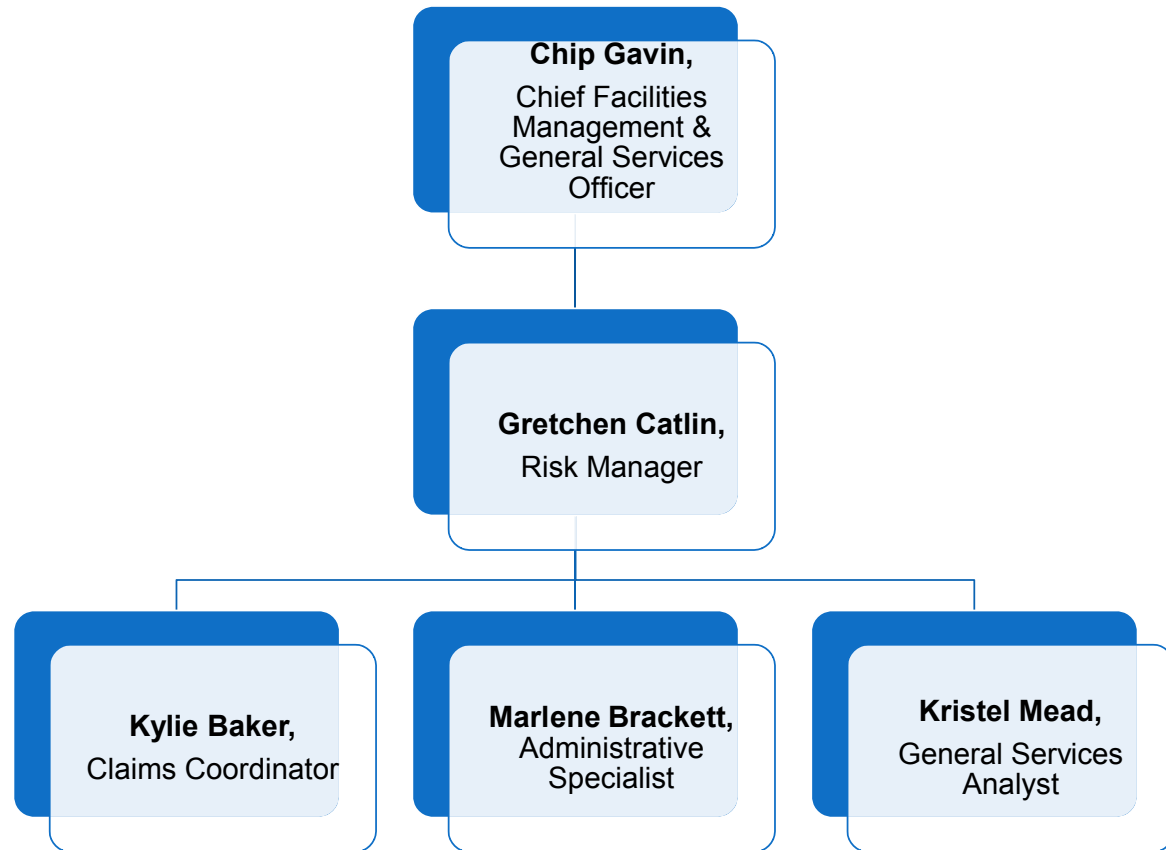
Risk Management Overview

Risk Management's key objective is preventing loss for the University and ensuring our campuses are safe for our students, employees, and guests. This is accomplished by:

- Performing enterprise level risk assessments.
- Procuring and projecting insurance needs for the University. Today Risk Management manages over 30 insurance policies ranging from auto, liability, property, workers compensation, aviation, cyber, crime and more.
- Being the administrative home for registering more than 400 vehicles, 50+ marine-craft, airplanes, and unmanned aerial and nautical vehicles used by students, faculty and staff in carrying out the University's mission.
- Providing guidance and support to the University at the daily operational level and enterprise level.



Department Structure



Executive Summary

- On May 29, 2019, Gretchen Catlin and Chip Gavin provided an Enterprise Risk Management (ERM) update to the Audit Committee. This included a review of the risk assessment tracking tool and ERM implementation schedule.
- Trustees approved the implementation approach which consists of having each enterprise risk assigned to a Board Committee for oversight.
- The University of Maine System is preliminarily monitoring 15 enterprise level risks and each has a designated Trustee committee of oversight, as suggested by Trustees.
- 2 of these risks have been designated to the Human Resources & Labor Relations Committee.



Measuring Risks

		Scope (likelihood risk will occur)			
		Remote 0-10%	Unlikely 11-25%	Possible 26-65%	Likely >65%
		1	2	3	4
Materiality (financial impact of risk)	Negligible <\$400K	1	2	3	4
	Low \$400K - \$1M	2	4	6	8
	Medium \$1.1M - \$10M	3	6	9	12
	High >\$10M	4	8	12	16

Risks are scored and prioritized based on materiality and scope.

Materiality X Scope = Risk Score



Risks Assigned to Human Resources & Labor Relations Committee

Risk ID	Description	Materiality	Type	Mitigation Description	Management Locus of Control	Scope	Risk Score
1	Personal injury or death to students, employees, or guests	3 (Medium - \$1.1M to \$10M)	Insurable	Safety Programs	Chip Gavin, Chief Facilities Management & General Services Officer	4 (Likely >65%)	12
5	Title IX complaints & lawsuits	3 (Medium - \$1.1M to \$10M)	Insurable	Training & Communication	Amie Parker, HR Director & Interim Director of Equal Opportunity Chris Lindstrom, Vice President HR & Interim Chief HR Officer	4 (Likely >65%)	12



Risk Control Strategies

Risk ID	Description	Control Strategies	Management Locus of Control
1	Personal injury or death to students, employees, or guests	<ul style="list-style-type: none"> Occupational Safety Audits conducted on demand Safety Management training – proactive & in response to identified risks. Workers Compensation SWAT Team Property audits conducted for each campus General liability insurance Workers Compensation insurance 	Chip Gavin, <i>Chief Facilities Management & General Services Officer</i>
5	Title IX complaints & lawsuits	<ul style="list-style-type: none"> Sex offender registry screening conducted upon hire Annual training Communication strategy to address that Title IX applies to both students and employees Hiring Title IX Coordinator for System Standard procedures for investigations In process of hiring for Equal Opportunity Director 	<p>Amie Parker, <i>HR Director & Interim Director of Equal Opportunity</i></p> <p>Chris Lindstrom, <i>Vice President HR & Interim Chief HR Officer</i></p>



Next Steps

Committee meeting implementation schedule:

Committee	Date
Academic & Student Affairs	August 26, 2019 <i>(complete)</i>
Finance, Facilities & Technology	August 28, 2019 <i>(complete)</i>
Audit	October 30, 2019 – Report status <i>(complete)</i>
Investment	December 2, 2019 <i>(complete)</i>
Human Resources & Labor Relations	January 6, 2020
Audit	May 14, 2020

The Audit Committee status report will include an update on control strategies discussed at each board committee.



Preliminary Risk Tracking Register

RISK REGISTER									
IC	Risk Description	Materiality	Type	Control/Mitigation Descriptio	Control I	BOT Committee	Management locus of control	Frequency (Scop	Measu
1	Personal injury or death of students, employees or guests	3 (Medium) \$1.1M- \$1	Insurable	Safety Program	1.1	HR and Labor Relations	Safety Management	4 (Likely >65%)	12
2	Infrastructure loss threatening to continuity of operations	4 (High) \$->\$10M	Insurable	Preventative Maintenance	2.1	FFT	Facilities Management	3 (Possible 26-65%)	12
3	Loss of state or public confidence in the value and merit of higher education	4 (High) \$->\$10M	Insurable	Focus on Strategic Planning	3.1	Executive	Chancellor	3 (Possible 26-65%)	12
4	Data breach or cyber incident	4 (High) \$->\$10M	Operational	Limitation of PHI on computers	4.1	FFT	ITS	4 (Likely >65%)	16
5	Sexual Harassment Occurrence	4 (High) \$->\$10M	Insurable	Background Screening	5.1	HR and Labor Relations	Human Resources	3 (Possible 26-65%)	12
6	Radical or long-term enrollment change	4 (High) \$->\$10M	Strategic	Strategic Actions and Tracking Enrollment (Facilitation)	6.1	Student and Academic Affairs	Chief Student Affairs Officer	3 (Possible 26-65%)	12
7	Loss of state appropriation or other unanticipated loss of funding threatening solvency or the ability to operate	4 (High) \$->\$10M	Financial	Continued Lobbying effort with State	7.1	Executive	Governmental Relations	2 (Unlikely 11-25%)	8
8	Product Liability lawsuit	4 (High) \$->\$10M	Insurable	Monitoring of Patent and Licensing with Counsel	8.1	Executive	General Counsel	1 (Remote 0-10%)	4
9	Investment Decline	4 (High) \$->\$10M	Financial	Diversification	9.1	Investment	Finance	2 (Unlikely 11-25%)	8
10	Natural disaster threatening to life or property	4 (High) \$->\$10M	Insurable	Business Continuity Planning	10.1	FFT	Risk Management	3 (Possible 26-65%)	12
11	Credit rating downgrade resulting in increased cost of capital and hitting state debt cap	3 (Medium) \$1.1M- \$1	Operational	Routine Auditing	11.1	Audit	Controller	2 (Unlikely 11-25%)	6
12	Inability to obtain quorum of Trustees to take action to the extent threatening to successful or the continuity of operations	3 (Medium) \$1.1M- \$1	Strategic	Master Planning	12.1	Executive	Board of Trustees	2 (Unlikely 11-25%)	6
13	Loss of key officer(s) to the extent threatening to successful or the continuity of operations	3 (Medium) \$1.1M- \$1	Human Capita	Cross-Training	13.1	Executive	Human Resources	3 (Possible 26-65%)	9
14	Event or events threatening to the reputation of a school or schools	4 (High) \$->\$10M	Operational	Effective Public Communications	14.1	Executive	Public Affairs	3 (Possible 26-65%)	12
15	Title IX complaints/lawsuits	4 (High) \$->\$10M	Insurable	Training & Prevention Efforts	15.1	HR and Labor Relations	Human Resources	4 (Likely >65%)	16

Questions?





AGENDA ITEM SUMMARY

1. **NAME OF ITEM:** Board of Trustee Policy 411 – Health Insurance for Retirees and Former Employees on Long Term Disability
2. **INITIATED BY:** James R. Erwin, Chair Pro tem
3. **BOARD INFORMATION:** X **BOARD ACTION:**
4. **OUTCOME:** **BOARD POLICY:** 411
5. **BACKGROUND:**

Following Executive Session of the Human Resources/Labor Relations Committee, Chris Lindstrom, Interim Chief Human Resource Officer, will provide information on revisions to Board of Trustee Policy 411.

This item will be discussed at the January 27-28, 2020 Board of Trustees meeting as an information item.