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Contact: John Diamond 973-3224 (mobile 949-4904)  
or Peggy Markson 973-3245



## **UNIVERSITY SYSTEM TRUSTEES APPROVE FRAMEWORK FOR ENHANCING QUALITY AND FISCAL CONTROLS**

### **Board Covers Several Major Items in Two-Day Session**

ORONO—The University of Maine System Board of Trustees on Monday endorsed Chancellor Richard L. Pattenaude's five-point framework for enhancing the quality, performance, and financial operation of Maine's public universities.

The plan, titled the "Agenda for Action," was one of several items acted upon during the Board's January meeting, held Sunday and Monday in Orono at the University of Maine.

"These objectives are intended to accomplish three fundamental purposes: to meet the educational needs and aspirations of Maine people; to strengthen Maine's economy and quality of life; and to provide prudent and responsible fiscal management," Pattenaude told trustees. "Given their distinct missions, each of our seven universities will develop the most appropriate ways to implement the intent and achieve the five objectives."

"This action agenda is an outgrowth of the strategic planning process completed in 2005," Pattenaude noted. "Each of the university presidents has embraced these objectives enthusiastically. Each of them will play a leadership role in helping the System design and implement the actions needed to achieve our common goals."

In short, the five points of the framework are:

1. Ensuring student success through enhancing the quality of the academic programs and the learning environment, with increases in both the number of students earning at least a baccalaureate degree and in student financial aid.
2. Strengthening Maine's economy through research, economic development, and education, especially in those academic disciplines related to key economic sectors of the Maine economy.
3. Incorporating sound environmental policies and practices in the academic, outreach, and operational aspects of the university system, with the goal of becoming one of the nation's most environmentally responsible systems.
4. Ensuring financial sustainability through a multi-year planning process that includes prudent financial controls, cost containment, broadening and enhancing revenues, and modifications to the functions and activities of the universities and the System's central operation.
5. Working more closely with the community colleges, K-12 education, government, businesses, and industries to both advocate for higher education and to partner with them as appropriate to meet Maine's needs.

More detailed information on the Agenda for Action may be found at  
<http://www.maine.edu/chancellor/AgendaforAction.php>.

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In other business, trustees approved internal loans and repayment plans for two universities that have incurred budget deficits: the University of Maine at Machias (UMM) and the University of Southern Maine (USM). As explained by UMM President Cynthia Huggins, her university's deficits resulted from revenue shortfalls in some of its self-supporting facilities, including its childhood learning center and residence halls. Huggins presented a restructuring plan that will eliminate the problem in future years, she said. Trustees approved UMM's request for a \$1.3 million loan, with a four-year repayment plan to begin July 1, 2009.

USM's interim president, Joseph S. Wood, outlined for trustees his university's plan for reorganizing USM's academic, operational, and financial structure. He explained that USM's budget shortfalls were the result primarily of lower than projected enrollment and unanticipated increases in fuel and other costs. Wood said that USM's restructuring plan features a combination of position eliminations and cuts in operating budgets. Repayment of the \$8.2 million internal loan will begin July 1, 2009 and will be completed over a four-year period.

Trustees also received a progress report on its recently amended financial oversight process, an action praised by trustee chair Margaret A. Weston.

"The Board is fully aware of the financial environment and the challenges of managing a university during a period of revenue constraints and escalating costs," explained Weston. "The new financial controls require more analysis of data and underlying trends and also require the analysis to be conducted more frequently throughout the year.

"These steps are typical of engaged boards and are part of a national trend to prove even greater levels of oversight and transparency of financial reports," she continued. "The changes we have adopted are part of a lengthy review process initiated two years ago and led by Trustees [James] Dowe and [Lyndel] Wishcamper. We are grateful for their leadership on this matter."

Trustees also dealt with the following items:

- Approved the recommendation of Dr. Allyson Hughes Handley as the new president of UMA, effective March 1.
- Authorized Pattenaude to proceed with plans to shift administrative and operational responsibility for the university system's 10 University College academic outreach centers to the University of Maine at Augusta. Currently, the centers are managed centrally by the university system's vice chancellor for academic and student affairs. The action complements UMA's mission, Pattenaude explained, and is projected to save \$300,000 when fully implemented.
- Authorized the elimination of two associate-level programs currently offered by the University of Maine at Augusta, an action consistent with UMA's transition to a baccalaureate-degree granting institution. The elimination will not affect any current students enrolled in those programs.
- Approved the creation of the Center for Rural Sustainable Development, based at the University of Maine at Fort Kent in collaboration with the University of Maine at Presque Isle and the University of Maine at Machias. Pattenaude and trustees praised the plan as an example of the university system's increasing emphasis on serving as a partner and resource in the development and implementation of economic development initiatives.
- Approved renovation plans for facilities at several of the System's seven universities. Many of the renovations will be funded through a bond issue approved by Maine voters in November 2007. Other renovations will be funded through private donations.

- Authorized the establishment of a master of science in education degree program to be awarded by the University of Maine at Farmington. The program will be the first graduate-level degree program ever approved for UMF. Pattenauade said the new degree will meet the demand for such a program in western Maine and will address the state's shortage of master's-level classroom teachers.
- Adopted a set of recommended policy changes related to post-employment, non-pension retirement benefits, an action necessary to comply with the Governmental Accounting Standards Board Statement No. 45, better known as GASB-45

Established in 1968, the University of Maine System is the state's largest educational enterprise. It has an annual enrollment of more than 44,000 students. It features seven universities – some with multiple campuses – located across the state, as well as 10 University College outreach centers, a law school, and an additional 75 interactive distance learning sites. For more information, visit [www.maine.edu](http://www.maine.edu).