Board of Trustees Meeting


Trustee Hood, Chair, called the meeting to order and welcomed everyone.

EXECUTIVE SESSION
On a motion by Trustee Fournier, which was seconded by Trustee Baker, the Committee of the Whole agreed to go into Executive Session under provisions of 1 MRSA Section 405 6A, & D for the purpose of discussing personnel and collective bargaining issues.

On a motion by Trustee Collins, which was seconded by Trustee Medd, the Committee of the Whole concluded the Executive Session.

CITIZEN COMMENT
Citizen Comment is a time regularly set aside for comments from the public. The following individuals spoke during the Citizen Comment period:

Ron Mosley – complimented UMPI on how the Academic Program Suspensions process was handled
Ross Ferrell – UMS performance and the System financial ratios

ACCEPTANCE OF MINUTES
On a motion by Trustee Fournier, which was seconded by Trustee Johnson, the minutes from the following meetings were unanimously approved as presented:
November 4, 2011 – Audit & Finance/Facilities Joint Session
November 13 & 14, 2011 – Board of Trustees Meeting and Committee Meetings
November 18, 2011 – Human Resources and Labor Relations Committee
December 5, 2011 – Technology Committee Meeting
December 9, 2011 – Executive Committee Meeting
December 12, 2011 – Investment Committee Meeting
January 13, 2012 – Strategic Imperatives Committee

CHAIR’S REPORT
Trustee Hood announced that Trustee Benjamin Goodman has accepted a position in Congressman Michaud’s Washington D.C. office as of January 3, 2012. Trustee Goodman’s
term ends in March 2012 and the process for new Student Trustee nominations is underway. As a result of his new commitment he has decided to resign from the Board of Trustee Committees that he has been assigned. He was not able to attend the January Board meeting; however, he is planning on attend the March meeting which will be his last meeting. He will continue to stay engaged in Trustee issues as much as possible. We all wish Trustee Goodman the best of luck in his career.

Trustee Hood explained that a Board of Trustees Committee Work Plan Matrix has been developed to track the Committee work progress for this fiscal year. She thanked the Committee Chairs and Committee members for all of the work that is being accomplished. Trustee Hood mentioned that she has talked with Governor LePage to share with him the Board of Trustees work plan. The Governor stated he would like open communication with the Board.

Trustee Hood apologized to the Presidents that there was not time in the schedule for the dialog with the Presidents. However, time would be allocated at the March Board meeting for the discussion.

**CHANCELLOR’S REPORT**

Chancellor Pattenaude introduced Ryan Low, Executive Director of Governmental Relations and External Affairs, who will be replacing John Lisnik who is retiring.

Chancellor Pattenaude expressed his deepest sympathy to the family and friends of Frank Gerry who passed away recently.

As Director of Labor Relations, Frank was a true friend and colleague and will be missed.

Chancellor Pattenaude continued his comments by making the following statement:

“Today, particularly under the Board of Trustees Goals and Actions, we will consider major steps forward. These are important efforts that sustain, add to, and most importantly, accelerate our momentum and build on the good work being done by our universities. The financial ratios presented by Vice Chancellor Wyke are the strongest they have been in five years, this year’s tuition and fee increase were the lowest in 10 years, the total employee count is 6.5% lower than four years ago, grant and contract spending and financial aid by our campuses are at an all-time high, online instruction is up 8.5% over last year, STEM degrees awarded are up 16% over last year, and degrees conferred are up 6% over last year.

This is to say the Presidents, System Staff, the faculty and staff have been hard at work, making sacrifices and difficult decisions moving us forward. I want to thank them for that work but we cannot stop – the times do not allow it. Today’s agenda helps lay the critical groundwork for new leadership and for enhancing our service to the state. I am enthusiastic about what we will be considering. It is needed and it will make a difference for our students, and for the people and organizations of Maine. So let us turn to that important work we will do together.”
COMMITTEE REPORTS/ACTION

Academic Affairs Committee – Trustee Johnson reported that the Committee forwarded to the Consent Agenda for action the New Academic Program – USM Mater of Laws (LL.M) and received an update on the Academic Program Suspensions at UMPI and the New Program Developments in the areas of STEM, Business-University Partnerships for IT and CS, and Innovation Engineering.

Finance/Facilities Committee - Trustee Fournier reported that the Committee received a Financial Update and a presentation from Sightlines with the 2011 findings of the Return of Physical Assets Analysis. The Committee agreed to forward to the Consent Agenda for action the following items: Lease of Roof Space to Maine RSA #1 Inc. at USM; Improvements to the Science Technology Research Center, Bioscience Building C Wing at USM; Demolition of Buildings at University Park at UM; Internal Loan for the UMA – Bangor College Center; and the approval to release a RFQ for Performance Based Funding Model.

Investment Committee - Trustee Baker reported that the Committee met on December 12, 2011 and received a market update from New England Pension Consultants and continued the discussion regarding UM and USM’s proposal for charging two gift reinvestment fees – one for outright gifts and one for endowments. The law firm of Eaton Peabody was engaged to respond to several legal questions and the legal response was discussed. UM and USM were asked to develop a budget which will be discussed at the next Committee meeting. Representatives from Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF) were present to review the menu offerings currently available to the UMS defined contribution participants, analyzed participant use of those offerings, and discussed how the menu might be improved.

Strategic Imperatives Committee – Trustee Collins reported that the Committee met on January 13, 2012 to review the criteria, scope and process of a Request for Quotation (RFQ) for consulting services for a review of potential administrative service improvements of the University of Maine System Office and operations. The Committee approved the release of the RFQ as of January 17, 2012. The Committee will meet again on February 24 to review the submissions.

Student Affairs Committee – Trustee Grieshaber reported that the Committee received a presentation from Ms. Mary Dyer of FAME on Financial Literacy: The Critical Need for Financial Education.

Technology Committee – Trustee Turner reported that the Committee met on December 5, 2011 and reviewed the projects that are on schedule and the project that are behind schedule which have a value of $250,000 or more. For the March 6th Committee meeting the agenda format will be reversed to allow more time to discuss updates on the Data Center and the Information Security Plan.

CONSENT AGENDA

On a motion by Trustee Collins, which was seconded by Trustee Baker, the following recommendations were unanimously approved by the Board of Trustees:

Lease of Roof Space to Maine RSA #1 Inc., USM. The Board of Trustees authorized the leasing of roof space at the Law building at 246 Deering Avenue on the Portland campus to
Maine RSA #1 Inc. for an initial period of up to five (5) years with the option to renew for as many as five (5) additional periods of up to five (5) years each. The final terms, including rate, associated costs and other terms, shall be negotiated by the University of Southern Maine in the best economic interest of the University, subject to review and approval by the University of Maine System Vice Chancellor of Finance and Administration and University Counsel.

**Improvements to Science Technology Research Center, Bioscience Building C Wing, USM.** The Board of Trustees authorized the University of Southern Maine to expend up to $900,000 in MEIF funds for improvements at the University of Southern Maine Science Technology Research Center in Portland, including the creation of two new lab spaces.

**Demolition of Buildings at University Park, UM.** The Board of Trustees authorized the University of Maine to demolish up to ten, three-bedroom apartment buildings at University Park and to make improvements at a cost of up to $1.5 million, using bond and auxiliary funds, including the demolition and installation of sprinkler systems in the remaining housing units.

**Internal Loan – College Center, UMA.** The Board of Trustees authorized the University of Maine at Augusta to refinance the internal loan and extend the repayment period from five to eight years.

**New Academic Program – USM Master of Laws (LL.M.).** The Board of Trustees approved the creation of a Master of Laws (LL.M.) professional degree program at the University of Maine School of Law.

**RFQ for Performance Based Funding Model.** The Board of Trustee authorized the Finance/Facilities Committee to release as of January 24, 2012 a Request for Qualifications to seek consulting services to assist the Committee in developing a performance based funding model.

**DISCUSSION ITEMS**

**Discussion on Proposed Board of Trustees Bylaw Change.** Trustee Hood explained that currently under the Board of Trustees Bylaws, Article III, Section 3.1.h, Trustees are able to participate by interactive technology, count towards the quorum and are eligible to vote in Board Committee meetings and Board meetings for medical reasons. The Trustee Affairs Committee is recommending a change to the Bylaws under Article IV – Meetings in Section 4.5 Quorum which allows Trustees to participate in Board meetings by interactive technology. The proposed language will allow participation and vote by telephone, Polycom or other similar interactive technology if there is an exceptional occasion which makes it inadvisable or impossible for the Trustee to attend. The presence of the non-attending Trustee in this manner shall be counted towards a quorum. The Trustee Affairs Committee feels it is very important to note that it is imperative for the Board to continue to have face to face meetings in order to effectively conduct its business in a transparent manner. The intent of this Bylaw change is to allow participation in Board meetings by interactive technology on rare occasions when Trustees cannot be physically present.

The proposed language change to the Board of Trustees Bylaws will be placed on the March Board meeting as an action item.
Online Education within UMS: An Update. UMA President Allyson Handley and Ms. Rosa Redonnett, Executive Director of Student Affairs, presented a summary of the report and recommendations of the Distance Learning Steering Committee (DLSC). The DLSC was formed to further develop and refine the next stage of the development of the UMS Online Education offerings based on the recommendations of the Online Maine Workgroup and to act as the Steering Committee for current and future developments of distance learning within the UMS. The vision and guiding principles outlined in the report are as follows:

**Vision**
The Universities in UMS hold the educational needs of students and the State of Maine as our top priority. We are thus committed to be major providers of high quality distance education courses, programs, and student services. Our offerings in distance education will be fully integrated into the academic units on our campuses and will be of commensurate quality as those offered in all of our programs.

**Guiding Principles**
- The Universities in UMS will work collaboratively to identify unique opportunities to develop new programs that will allow us to attract new students;
- We recognize that all academic curricula and programs offered through distance education – including course offerings, new programs, faculty staffing, and evaluation – emanate from the seven universities and their faculty according to their own established practices of shared governance;
- All campuses will participate in distance education through the shared governance of their faculty and administration;
- Distance education will support faculty choice of the most effective technological and pedagogical approaches to teaching within their specific disciplines while recognizing the benefits of consistency and commonality in broad delivery.

**Key Areas**
- Array of Services
- Shared Services
- Funding Approach
- Governance

Significant progress is being made for Online Education and the governance process is in place to ensure inclusion, effective communication and buy in. The underpinnings of the initiative have been clarified and strengthened and new policies and processes are being developed.

**Information Security Update.** Ms. Rebecca Wyke, Vice Chancellor for Finance and Administration and Treasurer, provided an update of the Information Security Plan implementation.

**ACTION ITEMS**
**Honorary Degree Nominations for 2013.**
On a motion by Trustee Fournier, which was seconded by Trustee Medd, the Board approved the Honorary Degree Nominations for 2013, as presented.

**Honorary Degree Nominations for 2012.**
On a motion by Trustee Murphy, which was seconded by Trustee Collins, the Board approved the Honorary Degree Nomination for 2012, as presented.

**Board of Trustees Goals – Follow-up and Action.** Trustee Hood explained that the Board of Trustees was asked to endorse the following actions and direct System and University leadership to implement them in order to move quickly forward in key areas of program and workforce development, cost control, and student success. The Trustees recognize that much work has been done and is in process.

Chancellor Pattenaude reviewed the following directives which are intended to focus that work and to enhance current University efforts.

I. Student Guarantee: Access, Affordability, and Graduation

*Directive I.a: Control Tuition and Fee Increases*
The Treasurer will develop a budget for Fiscal Year 2012-13 that limits in-state undergraduate tuition and fee increases to levels below current year.

*Directive I.b: Limit Credit Hours Per Degree*
The Board of Trustees implements the following policy change: The Board of Trustees approves the addition of Section 303.1, *Limit Undergraduate Degrees to 121 Credit Hours* to Section 303 of the Policy Manual. (See policy change recommendation under Tab 17 for this meeting)

*Directive I.c: Link Community College Transfer and General Education*
The Vice Chancellor for Academic Affairs, working with University Chief Academic Affairs Officers and University faculty, will oversee University completion of transfer articulation agreements for students who have obtained an Associate Degree in Liberal Studies from any Maine Community College to maximize credits toward lower division general education requirements. These articulation agreements will be created on a University by University basis to assure compliance with regional accreditation standards. Agreements will be completed in Academic Year 2012-13 with implementation in Academic Year 2013-14.

*Directive I.d: Strengthen Adult Degree Completion Opportunities*
The Chief Student Affairs Officer, working with the UMS Enrollment Council and University leadership, will oversee creation of University programs and System policy changes that increase effectiveness for aggregating credit hours for students with multiple campus and/or learning experiences. This work will begin immediately at USM and UMA to serve as pilot sites for the other Universities. Recommendations will be completed by July, 2012 with phased implementation to begin Fall, 2012.

*Directive I.e: Align Funding with Performance-Based Outcomes*
The Board's Finance and Facilities Committee, as noted in its 2011-12 work plan, will undertake a review of performance-based funding formula models and bring recommendations to the Board of Trustees by July, 2012.

*Directive I.f: Add System Outcomes Performance Measures to Current Metrics*
The Chancellor will add System outcomes measures drawn from the National Governors Association's recommendations to the current Measures of Progress in *New Challenges, New Directions*. The new metrics are: 1. Certificates and Degrees Awarded Relative to
the Number of Jobs Requiring a Postsecondary Degree; 2. Certificates and Degrees Awarded Relative to the Number of Adults in the State with No College Credential; 3. Certificates and Degrees Awarded per 100 Students Enrolled; and 4. Post-graduation Placement Rates. These data will become part of the Annual Report in July, 2012.

II. Employer Guarantee: Maine's Workforce Needs Met by University Graduates

Directive II.a: Form Additional Business Partnerships and Collaborations
The Chancellor will appoint and empower a study team to extend the work done by the Maine Development Foundation in its report "Making Maine Work: The Role of Maine's Public Universities." The team will inventory resources available at our Universities which provide services and support to Maine's businesses, assess gaps, and present a plan to improve service. The team will submit its report by May, 2012 and implementation will begin June, 2012.

The Chief Academic Officers, working with the Vice Chancellor for Academic affairs, will utilize Department of Labor data, Boards of Visitors’ advice, program advisory board input, and other sources of market information to identify and mount or expand high need programs and certificates. This work will add to efforts already underway in: allied health, computer science/information technology, innovation engineering, STEM, world languages, sustainable energy, health informatics, and tourism. A gap analysis and program plan report will be completed by July, 2012 with implementation processes to begin Fall, 2012.

III. 21st Century Educational Delivery: Online, Year-Round Operations, Productivity, and Resources Focused on Mission

Directive III.a: Increase Responsiveness of Continuing Education Operations
Each University will pursue this individually. Progress reports will be submitted annually as part of each President’s annual goals review.

Directive III.b: Provide More Online and Hybrid Programs for Working Adults
University College and the University Chief Academic Officers will continue program additions and maintain the current growth rate with the goal of 20% of credit hours online by 2015. University College, working with the Vice Chancellor for Academic Affairs, will obtain external expertise to perform a focused market needs analysis to guide future program development and approval. The final report will be submitted by September, 2012.

Directive III.c: Provide Year Round Admissions, Financial Aid, and Instruction
The Chancellor will immediately form a work group consisting of Chief Academic Officers, Chief Financial Officers, and Chief Enrollment Officers to review current practices and to identify opportunities for more flexible and responsive education delivery practices, such as staggered start times, that serve working adults. The work group will submit recommended actions by September, 2012. Implementation will begin Fall, 2012.

Directive III.d: Link Academic Outcomes and Incentives
The Chancellor, working with Presidents and Senior Staff, under oversight of the Board's Human Resources Committee, will lead development of a multi-year plan for increasing academic productivity and results, and will explore ways to provide financial incentives and rewards to faculty and Universities for achievement of academic goals. The plan will be developed through a collaborative process engaging faculty, University leadership, and others with relevant expertise and interest, including the collective bargaining agent representing faculty. Any financial incentives for faculty aligned with these goals will be negotiated through collective bargaining. The plan will be developed during Academic Year 2012-2013 with the goal of implementation starting in Academic Year 2013-2014.

**Directive III.e: Collaborate with Community Colleges on Resource Usage**

The Chancellor will expand the work initiated by the Education Coordinating Committee (ECC), which consists of the Board Chairs and CEOs of the University System, Community College System, Maine Maritime Academy, and the Maine Department of Education, which is currently focused on College Transitions from K-12 to higher education institutions. The Board Chair will request that the next work group be formed by May, 2012 and focus on administrative and academic resource sharing. The Chancellor and the Board Chair will report twice a year to the Board on the work of the ECC.

**Directive III.f: Reallocate Savings from Administration and Infrastructure to teaching, Research and Public Service**

The Board's Strategic Imperatives Committee will undertake an in-depth review of administrative costs and structures at all levels, and in all divisions of the System and bring forward recommendations to improve administrative efficiencies and services. The Committee will report its findings to Board in July, 2012.

The Board had a lengthy discussion on FY2013 financial gap projections for 0%, 1% and 2% tuition increase scenarios.

On a motion by Trustee Turner, which was seconded by Trustee Collins, that the Board approved the recommendation, as amended, to fully endorse and direct the implementation of the Board of Trustees Goals and Actions and approve freezing in-state, undergraduate tuition and mandatory unified fees at current levels. The Board of Trustees further requested that the Chancellor report quarterly on the progress made in meeting the Goals and Actions.

**Board of Trustees Academic Affairs Policy #303.1**

Dr. James Breece, Vice Chancellor for Academic Affairs, explained this will be an addition to Board of Trustees Policy 303 which would set a cap for the number of credits required to earn a degree in the University of Maine System. The proposed policy would set that limit at 121 credit hours, with the exception of the University of Maine at Farmington, which operates under a four-credit system and would have a maximum of 128 credits. Exceptions could be made to comply with accreditation requirements in individual academic programs. This change will make it easier for students to earn their degrees in four years and should have a positive impact on retention and graduation rates.

On a motion by Trustee Fournier, which was seconded by Trustee Murphy, the Board approved the recommendation.
INFORMATION ITEMS
The following items were included in the Agenda for information only:
- Financial Literacy: The Critical Need for Financial Education
- Financial Update
- Sightlines Presentation
- Academic Program Suspensions, UMPI
- Update on New Program Developments: STEM, Business-University Partnerships for IT & CS, and Innovation Engineering
- Annual Report on Degrees Conferred (2011-2012)
- Grants & Contracts Annual Report (FY2011)
- Student Financial Aid Report (FY2011)
- Maine Economic Improvement Fund Report
- Dashboard Indicators
- Agenda Calendar

DATE OF NEXT MEETING
The next meeting of the Board of Trustees will be held on March 19, 2012 at the University of Maine.

Adjournment

Ellen Doughty for
J. Kelley Wiltbank, Clerk