

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

at the University of Maine System
May 21, 2012

Board of Trustees Meeting

Present: Michelle Hood, Chair; Samuel Collins, Vice Chair; Kurt Adams, Eleanor Baker, Norman Fournier, Tamera Grieshaber, Gregory Johnson, Kevin McCarthy, Marjorie Medd, Paul Mitchell, Victoria Murphy, Bonnie Newsom, Karl Turner and Lyndel Wishcamper. **Chancellor:** James Page. **Faculty Representatives:** Chris Bates, Valerie Hart, Lois-Ann Kuntz, and Robert Rice. **Student Representatives:** Brianna Hughes. **University Presidents:** Selma Botman, Paul Ferguson, Allyson Handley, Wilson Hess, Cynthia Huggins, Theodora Kalikow, and Donald Zillman. **System Staff:** Tracy Bigney, James Breece, Tracy Elliott, Chip Gavin, John Lisnik, Ryan Low, Peggy Markson, Rosa Redonnett, Kelley Wiltbank and Rebecca Wyke.

Absent: Stephen Bowen and Tyler Hadyniak.

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

EXECUTIVE SESSION

On a motion by Trustee Mitchell, which was seconded by Trustee Collins, the Board of Trustees agreed to go into Executive Session under provisions of 1 MRSA Section 405 6A for the evaluation of personnel; consideration and discussion of the assignments, duties and personnel actions related to the staffing, design, analysis and implementation of the Administrative Services Review and Performance Based Funding Model projects; and under 1 MRSA 405 6D to discuss with its negotiators the status of the UMS negotiations of its labor contracts with its six representative employee unions.

On a motion by Trustee Fournier, which was seconded by Trustee Medd, the Board 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 – Employee relations
- Neil Greenburg – UMPSA salary data
- Rosanna Libby – HECCP – investment in employees

ACCEPTANCE OF MINUTES

On a motion by Trustee Baker, which was seconded by Trustee Medd, the minutes from the following meetings were unanimously approved as presented:

- February 16, 2012 – Executive Committee Meetings
- March 6, 2012 – Technology Committee Meeting
- March 19, 2012 – Board of Trustees Meeting and Committee Meetings
- April 7, 12 & 24, 2012 – Executive Committee Meetings
- May 2, 2012 – Audit Committee Meeting

CHAIR'S REPORT

Trustee Hood acknowledged Trustee Lyndel Wishcamper who is ending his second five-year term of service on the Board of Trustees. Chair Hood stated Trustee Wishcamper's leadership,

dedication and service to the UMS has been invaluable and greatly appreciated. Trustee Norman Fournier is ending his first five-year term and Trustee Tamara Grieshaber is also ending her first five-year term. The UMS is waiting to see if they will be reappointed by the Governor.

Trustee Hood commented that the Board Committees have been focused on their Work Plans and Goals that were established for the 2011-2012 Academic Year. It is now appropriate to refresh the Work Plans and Goals for 2012-2013 Academic Year. Any input into the Committee Work Plans and Goals would be greatly appreciated. The Board of Trustee will continue to focus on outcomes that are measureable.

Trustee Hood acknowledged that this is the last Board meeting for President Theodora Kalikow and President Donald Zillman. The Board of Trustees thanked the Presidents for their many years of service, dedication and leadership and Trustee Hood read the following resolutions:

Donald N. Zillman

Whereas, Donald N. Zillman has served in senior leadership roles in the University of Maine System for more than a decade and;

Whereas the positions held are President of the University of Maine at Presque Isle, the Dean of the University of Maine School of Law, Interim Provost and Academic Vice President of the University of Maine and Interim President of the University of Maine at Fort Kent;

Whereas, during his service to the state of Maine he has enjoyed the support of System leadership, the Board of Trustees and the employees of the University of Maine at Presque Isle;

Whereas under his leadership, UMPI became one of the first campuses in the East to install a large scale wind turbine that demonstrates the university's commitment to clean, renewable energy;

Whereas during his presidency, UMPI was awarded a Project Compass grant from the Nellie Mae Education Foundation to develop and improve culturally responsive retention strategies for its Native American students;

Whereas President Zillman oversaw the establishment of a Prometric Testing Center at UMPI that provides the community with a close option for taking important tests and certification exams, strengthening ties between the university and the City of Presque Isle;

Whereas as President, UMPI received a grant from the Maine Technology Asset Fund to help construct a state-of-the-art GIS and GPS laboratory on campus that is now used for both classroom instruction and community training and services;

Whereas as a result of his support of the arts, UMPI has brought novelist Cathie Pelletier to teach courses, was one of three Maine institutions to receive Andy Warhol photographs from the Andy Warhol Photo Legacy Program and welcomed Tony-nominated actor John Cariani for the hometown premiere of his play "Almost, Maine";

Be it known to all that we, the University of Maine System Board of Trustees, offer our most sincere gratitude, thanks, and best wishes to President Donald N. Zillman for his outstanding contributions to the quality of higher education in Maine.

Approved on the 21st day of May, 2012, by a grateful University of Maine System Board of Trustees, acting as stewards of Maine's public universities and their 40,000 students, 5,000 employees and more than 185,000 living alumni.

Theodora J. Kalikow

Whereas, Theodora J. Kalikow has served as the President of the University of Maine at Farmington for 18 years, the longest-serving President since the University became a four-year college;

Whereas, during her service to the State of Maine she has enjoyed the support of System leadership, the Board of Trustees and the employees of the University of Maine at Farmington;

Whereas under her leadership, UMF has been recognized as "One of America's Best Colleges" by U.S. News and World Report for 15 consecutive years and as one of 20 outstanding colleges selected as national models of educational effectiveness;

Whereas during her tenure, UMF has added five new majors, five new programs in interdisciplinary studies, two new master's degree programs and sixteen faculty positions;

Whereas as President, she supported the construction of the UMF Education Center – one of Maine's first LEED-certified green building, also, many facilities on the UMF campus feature advanced geothermal technology and the latest energy efficiencies;

Whereas during her Presidency, UMF created the only Bachelor of Fine Arts in Creative Writing program in the State and one of only three in all of New England, a program that attracts students nationwide to work with accomplished faculty mentors and gain real-world writing and publishing experience;

Whereas under her leadership, the Emery Community Arts Center opened on the UMF campus, a venue that provides a collaborative facility where the campus and local arts community can come together;

Whereas when she was President, UMF created the Partnership for Civic Advancement, which involves students in community-based internships and meaningful activities;

Be it known to all that we, the University of Maine System Board of Trustees, offer our most sincere gratitude, thanks, and best wishes to President Theodora J. Kalikow for her outstanding contributions to the quality of higher education in Maine.

Approved on the 21st day of May, 2012, by a grateful University of Maine System Board of Trustees, acting as stewards of Maine's public universities and their 40,000 students, 5,000 employees and more than 185,000 living alumni.

CHANCELLOR'S REPORT

Chancellor Page thanked everyone for their openness, support and assistance during his first two months in office. Chancellor Page introduced and welcomed Ms. Kate Foster, President-elect for UMF. He also thanked Vice Chancellor Wyke, her staff, the Presidents and their staff for delivering a balanced budget for the next fiscal year. However, it's not a sustainable model and the UMS has to change the way these matters are approached and minimize the unpredictability and move to greater strategic planning and strategic investments to those ad hoc reactions to economic circumstances. Our constituencies are ready for change and there is a wide variety of opinion which points to some lack of clarity of direction, but ultimately improved processes and alignments are needed among all of the constituencies. Chancellor Page stated he agrees that better communications are needed.

Chancellor Page commented that the Board of Trustees Actions and Goals outlined in January 2012 is the foundation for the strategic plan moving forward. The three high priority projects which include the systematic review of the System operations, the performance based funding models, and interoperability which is the ability of the student to move with less friction between campuses and between the UMS and the Maine Community College System. He stated that he looks forward to getting those projects underway. These priorities have been imbedded in an overall structure for change management and leadership from the Board of Trustees to the campuses. Many of the campus details are still being developed starting with some pilot projects. Chancellor Page stated that he will continue his outreach by meeting with people across the state to become more familiar with entire community and develop ways for more engagement.

Chancellor Page stated that it will be important to communicate to all constituencies about these plans going forward and he will always welcome input.

University of Maine Information Security Breach.

Ms. Rebecca Wyke, Vice Chancellor for Finance and Administration and Treasure, explained the recent information security breach with a computer program that was developed in 1999 by the staff at the Computer Connection at UMaine. At the time, it was a state-of-the-art application which UMaine and several other universities adopted, most particularly the University of Arkansas, as well as two other university systems were active at the time of the breach. UMS had developed a new system and had transitioned to it at UMaine and had encouraged the other universities do likewise. However, UMaine continued to host the server which made it somewhat vulnerable. The individuals affected in Maine by the breach are relatively small. All of the proper notification has been performed and extensive investigations are continuing. Ms. Wyke thanked the staff at UMaine and Mr. John Forker, Chief Information Security Office, and his staff for their efforts.

COMMITTEE REPORTS/ACTION

Academic Affairs Committee – Trustee Johnson reported that the Committee met on March 20, 2012 and forwarded to the Consent Agenda for action the changes in Academic Programs and the Awarding of Tenure to Dr. Michael Stevenson, Provost and Vice President for Academic Affairs at USM. The Committee received an update on the International Student Centers and discussed the Student Learning Outcomes Measures.

Audit Committee - Trustee Adams reported that the Committee met on May 2, 2012. KPMG, the independent auditor, gave a favorable (unqualified) opinion on compliance. The University of Maine System FY2011 Federal expenditures were \$336 million which includes \$215 million in Student Financial Assistance. The total Federal expenditures increased \$34 million over the prior year. There were two financial aid findings at two campuses (UMF and UM) related to Direct Lending reconciliations and a single Pell grant data error. Management has since taken appropriate corrective measures.

The University of Maine System's newly engaged auditor, Berry Dunn McNeil and Parker (BDMP), briefed the Committee on the FY2012 audit approach and timeline. BDMP will be conducting the financial statement audit beginning with planning now and concluding in late October. They will finalize the A-133 report by January 31, 2013. The Committee received an update on corrective measures taken since last year's purchasing card audits at UMA, UMFK and UMM. To maximize the return on the new e-procurement system (implemented December 2010), management will be revisiting the purchasing card program, including goals and spending level system-wide. Redirection of transactions to the e-procurement system provides several advantages including greater control, use of negotiated contracts, better data, and increased opportunity for vendor negotiations.

The FY2011 Report on NCAA Agreed-Upon Procedures for UM was reviewed. UM Athletics reported \$18 million in revenue with a reported annual surplus of \$192 thousand. UM management reported taking appropriate corrective measures on all auditor recommendations.

Executive Committee – Trustee Hood reported that the Committee met on April 7, 12 & 24 2012. The meeting on April 7th was to discuss personnel matters, the April 12th meeting was to approve an Honorary Degree and the meeting on April 24th was approve the appointments of the President of UMF and the President of UMPI.

Finance/Facilities Committee - Trustee Fournier reported that the Committee met on May 14, 2012 to review the FY2013 Operating Budget and proposed Student Charges. Each campus provided a brief budget presentation. The Committee agreed to forward to the Consent Agenda for the May 21, 2012 Board Meeting the following items: Update to Board Policy 701: Operating & Capital Budgets, Lease of Two 4-H Learning Centers at UM, Naming of Baseball Batting Pavilion at UM, Demolition of Two Structures at UMF, and Approval of Biomass District Heating Plan and Internal UMS Loan at UMFK.

The Committee also met on May 20, 2012 and received a Financial Update and a Capital Projects Status Report. The Committee agreed to forward to the Consent Agenda for action the FY2013 Budget and Recommended Student Charges and amended the language for the Board of Trustee Policy 701: Operating and Capital Budgets.

Human Resources & Labor Relations – Trustee Marjorie Medd reported that the Committee met on May 20, 2012 and forwarded to the Consent Agenda the appointment of Dr. Theodora Kalikow as President Emerita. The Committee received a presentation on the Compensation Program Review and the Associated Faculties of the University of Maine Report on Faculty Compensation.

Investment Committee - Trustee Baker reported that the Committee has not met since the last Board Meeting and the next meeting is scheduled for May 30, 2012 from 1:00 to 4:00 pm.

Strategic Imperatives Committee – Trustee McCarthy reported that the Committee deferred the May 14th meeting and the discussions will be part of the Board of Trustees meeting on May 21, 2012.

Student Affairs Committee – Trustee Grieshaber reported that the Committee agreed to forward to the Consent Agenda the Student Conduct Code: Three Year Revision.

Technology Committee – Trustee Turner reported that the Committee has not met since the last Board meeting and the next meeting is scheduled for June.

Trustee Affairs Committee – Trustee Murphy reported that the Committee has not met. The annual Board self-assessment will be distributed in the near future.

CONSENT AGENDA

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

Student Conduct Code: Three Year Revision. The Board of Trustees accepted the proposed changes to the Student Conduct Code, as amended

Awarding of Tenure – USM. The Board of Trustees granted tenure to Dr. Michael Stevenson, Provost and Vice President of Academic Affairs at the University of Southern Maine effective on the date that he assumes a full-time faculty position after leaving the position of Provost. (See the minutes from the Academic Affairs Committee on May 20, 2012.)

Academic Programs. The Board of Trustees approved the creation of an Associate of Science in Rehabilitation Therapy and an Associate of Science in Nutrition at the University of Maine at Augusta; and the Board rescinded the degree programs that were approved for the University of Maine: the Associate of Arts in Liberal Studies and Associate of Science in Applied Science and University of Maine at Farmington: Associate of Arts in Liberal Studies.

Appointment of Theodora Kalikow as President Emerita – UMF. The Board of Trustees awarded the title President Emerita of the University of Maine at Farmington to Dr. Theodora Kalikow in recognition of her service and contributions.

FY13 Budget and Recommended Student Charges. The Board of Trustees approved the FY2013 Operating Budget and Recommended Student Charges as presented and discussed.

The Board of Trustees reviewed the following agenda items as forwarded by Finance/Facilities Committee to the Consent Agenda from its meeting on May 14, 2012, and allowed it to remain on the Consent Agenda:

Update to Board of Trustees Policy 701: *Operating and Capital Budgets.* The Board of Trustees approved the changes to Board Policy 701 as presented.

Lease of Two 4-H Learning Centers – UM. The Board of Trustees authorized the University of Maine to lease the Tanglewood 4-H Camp at Blueberry Cove, located in Tenants Harbor, from the Tanglewood Camp and Learning Center for an initial period of twenty-five years with the option to renew for as many as ten (10) additional periods of ten (10) years each, and, the University of Maine 4-H Camp and Learning Center at Bryant Pond, located in the Towns of Woodstock and Greenwood, Maine, from the Bryant Pond Learning Center for an initial period of twenty-five years with the option to renew for as many as ten (10) additional periods of ten (10) years each, subject to the review and approval of final terms and conditions by the Vice Chancellor for Finance and Administration and University Counsel.

Naming of Baseball Batting Pavilion - UM. The Board of Trustees authorized the University of Maine to name a to-be-constructed Baseball Batting Pavilion for Paul J. Mitchell in recognition of his lettering in baseball while playing 2nd base for the UM team during the 1947 and '48 seasons and his deep commitment to the University of Maine and University of Maine System.

Demolition of Two Structures – UMF. The Board of Trustees authorized the disposal of two facilities at UMF, one at 248 Main Street and a second at 106 Lake Avenue.

Approval of Biomass District Heating Plant and Internal UMS Loan, UMFK. The Board of Trustees authorized the University of Maine at Fork Kent to expend up to \$3,000,742 to construct a biomass-fueled district heating plant for certain of its own and nearby educational facilities to be funded by a \$2.62 million grant, in-kind contributions and an internal UMS loan. Further, the Board of Trustees authorized an internal UMS loan of up to \$291,000 for this purpose.

DISCUSSION ITEMS

Recommendations for the Administrative Services Review and Performance Based Funding Model Projects. Chancellor Page stated that three high priority projects have been endorsed by the Board of Trustees with very aggressive timelines and deliverables in support of the Board's Actions and Goals developed in January 2012. The first two projects will be managed by a common group. The first project is the systematic review of the System operations and its charge is to look at all administrative services on all of the campuses and the System Office comprehensive and functionally divided in order to implement ways to gain efficiencies and streamline throughout the University System. Financial targets have been set for this project on a one, two and three year basis of \$8 million cumulatively each year in annualized savings. The structure in which this project and all projects are being vetted will be discussed in more detail at a later date. The Board of Trustees sets the priorities and engages with the committees that will be working on the projects and will set the audits. The President's Council will discuss the charges, pull out details and consults with the Chancellor and the Steering Committee to drive each of these projects. The Steering Committee for the administrative review and the performance based funding model is the Chancellor, Vice Chancellor Wyke, President Paul Ferguson, President Cynthia Huggins, and Trustee Karl Turner. This Committee will be engaging with constituencies throughout the campuses to design and implement. The charge for

the performance based funding model is develop models for recommendation to the Board on allocating a set of resources to be used to be distributed according to the achievement of performance based goals. The Steering Committee will develop the matrix to test and model the options in a variety of ways for policy and financial soundness and respect to the challenges the campuses are individually facing and lead the implementation team with implementations scheduled to begin in academic year 2013-2014. The third project is the credit transfer project. The Steering Committee for this project is President Wilson Hess, Trustee Gregory Johnson, UMaine Provost Susan Hunter and USM Associate Provost Dahlia Lynn. This project is not only a Board of Trustees initiative but also a directive from the Governor's Office with the hope to allow students to transfer between campuses and systems without unduly penalizing the students financially and time to completion of their degrees or certifications. The Governor has made clear his support of the UMS budget, even at its current level, is dependent upon successful completion of this project.

The administrative review project has been divided into a number of review teams. These projects are very complex. In order to test our processes and systems and building teams, these will be implemented in staged efforts. The Information Technology Department is being used as a pilot.

Information Technology Across the UMS

Mr. Richard Thompson, Chief Information Officer, provided a presentation on evaluating and improving the effectiveness, efficiency and affordability of Information Technology across the UMS.

A team of Information Technology professionals, led by the UMS Chief Information Officer, will perform a deep analysis of Information Technology across all of UMS. Information Technology Directors will lead evaluation of Information Technology components and services, to obtain data, costs and options, and to develop recommendations to improve efficiency and service while achieving cost savings. Work will engage students, faculty, chief academic officers, chief financial officers, and others at the campus and System-wide Services. Specific recommendations will be presented in monthly interim progress reports and once approved, implementation will begin. Cost savings and avoidance will be estimated in the design process. A final design report with estimated cost savings, a detailed implementation plan and schedule will be delivered by December 31, 2012 to the Board of Trustees, the Steering Committee, the Chancellor and the Presidents. Progress, effectiveness and actual savings will be measured and reported regularly.

The Information Technology review will include the following six components:

1. Analyzing management structure and senior Information Technology staff model;
2. Evaluating and acting upon redundant services;
3. Evaluating systems, applications and assigned resources;
4. Developing an initiative management process for research and development of new products and services;
5. Analyzing the operating budget; and
6. Establishing and implementing policies and standards for architecture, hardware and software.

The high level outcomes would allow flexibility and innovation at the campus level but managed to common standards which will be measured by customer satisfaction. A transparent Information Technology research and development process for new tools and applications including a modern web site with initiatives identified and results published. Reducing redundancy to only where necessary and cost savings and efficiencies identified and metrics developed based on standard services compared to other entities. Mr. Thompson reviewed the analysis and design timeline which begins in May 2012 and continues until December 2012.

Chancellor Page commented that during the reviews external consultants maybe engaged to validate and verify the results; however, to the maximum degree possible these reviews will be completed with internal resources. As the UMS realize these efficiencies and savings that will be generated, it is critical in a time when the UMS is resource constrained that the resources be invested in high priorities which the Board of Trustee will establish. This is an exercise in how the UMS can invest in the future of the universities.

Upon Trustee Hood request, the Board of Trustees endorsed of the strategic, transformational directions that the Chancellor has identified as the three priorities which include the systematic review of the System operations, the performance based funding models, and interoperability or transferability of credits.

ACTION ITEMS

Confirmation of Boards of Visitor Appointments. Chancellor Page reviewed the campus Boards of Visitor appointments for 2012. Each Board of Visitor consists of up to 20 members recommended by the campus President and confirmed by the Board of Trustees.

On a motion by Trustee Johnson, which was seconded by Trustee Medd, the Board of Trustees approved the campus Board of Visitor appointments, as amended.

Election of Board Officers. The Trustee Nominating Committee consisting of Trustee Fournier as Chair, Trustee Baker and Trustee Medd recommended the nomination of Michelle Hood as Chair and Samuel Collins as Vice Chair of the Board of Trustees for 2012-2013.

On a motion by Trustee Fournier, which was seconded by Trustee Medd, the Board of Trustees confirmed the slate of officers for 2012-2013 as Trustee Michelle Hood to serve as Chair and Trustee Samuel Collins to serve as Vice Chair.

Confirm Faculty & Student Representatives to the Board of Trustees. The following appointments as Faculty and Students Representatives to the Board of Trustees have been recommended by the Presidents to the Chancellor for Board approval:

- Robert Rice, Faculty Representative from UM – reappointment for a one year term
- Christopher Bates, Faculty Representative from UMA – reappointment for a one year term
- Karen Barrett, Faculty Representative from UMF – reappointment for a three year term
- Andrea Ednie, Faculty Representative from UMM – appointment for a two year term
- Katherine Crepeau, Student Representative from UMFK – appointment for a two year term
- Colin Buttarazzi, Student Representative from UM – appointment for a two year term

On a motion by Trustee Fournier, which was seconded by Trustee Medd, the Board of Trustees approved the recommendation.

INFORMATION ITEMS

The following items were included in the Agenda for information only:

- International Student Study Centers Update
- Student Learning Outcomes Measures: Discussion
- Compensation Program Review
- Associated Faculties of the University of Maine Report on Faculty Compensation
- Financial Update
- Capital Projects Status Report
- Dashboard Indicators
- Agenda Calendar

DATE OF NEXT MEETING

The next meeting of the Board of Trustees will be held on July 9, 2012 at the University of Maine System.

Adjournment

Ellen Doughty for
J. Kelley Wiltbank, Clerk