

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

at the University of Maine hosted by the University of Maine System
January 28 & 29, 2018

Board of Trustees Meeting

Present: James Erwin, Chair; Karl Turner, Vice Chair; Samuel Collins, Lisa Eames, Norman Fournier, Michelle Hood (by phone), Gregory Johnson, Ángel Loredó (on behalf of Robert Hasson), Kelly Martin, Shawn Moody, and Betsey Timm. **Chancellor:** James Page. **Faculty Representatives:** Ray Albert, Uriah Anderson, Timothy Surette, Lisa Leduc, Clyde Mitchell, and Elizabeth Turesky. **Student Representatives:** Duane Belanger, Samuel Borer, Austin Cyr, Alex DesRuisseaux, Samuel Atwood, Jay Knowlton, Issac Michaud, Dylan Reynolds, Kimberley Miner and Abby Roche. **University Presidents:** Glenn Cummings, Kathryn Foster, Susan Hunter, Ray Rice, John Short, and Rebecca Wyke. **System Staff:** Tracy Bigney, Crompton Burton, Dan Demeritt, David Demers, Ellen Doughty, Tracy Elliott, Chip Gavin, Carol Kim, Ryan Low, Tamara Mitchell, Robert Neely, Robert Placido, Rosa Redonnett, James Thelen, Samantha Warren, and Miriam White. **Others present:** Vendean Vafiades.

Absent: Jason Coombs, James Donnelly, Mark Gardner, and Robert Hasson.

Sunday, January 28, 2018

Trustee Erwin, Chair, called the meeting to order.

EXECUTIVE SESSION

On a motion by Trustee Gardner, which was seconded by Trustee Fournier, and approved by all members present, the Board of Trustees meeting went into Executive Session under the following provisions:

- 1 MRSA Section 405 6-A to discuss the evaluation of personnel and the consideration and discussion of appointments, employment and duties.
- 1 MRSA Section 405 6-C to discuss or consider economic development only if premature disclosure of the information would prejudice the competitive or bargaining position of the System.
- 1 MRSA Section 405 6-E to have consultation with legal counsel concerning matters where premature general public knowledge would clearly place the System at a substantial disadvantage.

On a motion by Trustee Turner, which was seconded by Trustee Fournier, and approved by all members present, the Board of Trustees concluded the Executive Session.

Monday, January 29, 2018

Trustee Erwin, Chair, called the meeting order.

CITIZEN COMMENT

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

Jason Briggs – USM Metro - Shuttle

Gregg Sherwood – USM Metro Shuttle
Dylan Reynolds – USM Metro Shuttle
Isaac Michaud – SGA Conference
Jim McClymer – General Comments
Jay Knowlton – USM Metro Shuttle
Alan Cobo-Lewis – Board Policy 214

ACCEPTANCE OF MINUTES

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

November 18-19, 2017 - Board of Trustees Meeting
December 5, 2017 - Investment Committee Meeting
December 7, 2017 - Executive Committee Meeting
January 12, 2018 - Finance, Facilities, Technology Committee Meeting

COMMITTEE REPORTS

Academic & Student Affairs Committee. Trustee Johnson reported that the Committee met on January 19, 2018. The Committee received updates on Institutional Research in the areas of dashboard development, enrollment modeling and programs for examination. Vice Chancellor Neely discussed the collaborative masters' programs, Early College, online programs and the task force developed to approve multi-campus programs. The Committee reviewed and discussed the most recent version of the proposed new Board Policy 214 Institutional Authority of Political Matters. UMF Student Representative Isaac Michaud discussed the Student Government Association Conference on April 14 & 15 at UMF. UM Student Representative Sam Borer presented the refined roles and responsibilities of the student representatives to the Board. He encouraged feedback on the document from the Committee. Following an Executive Session the Committee approved tenure at the rank of Professor of Environmental Studies to the candidate for the position of Head of Campus and Vice President of Academic Affairs at UMM.

Executive Committee. Trustee Erwin reported that the Committee met on December 7, 2017. The Executive Committee, on behalf of the Board of Trustees, in accord with existing UMS and University policies and contractual requirements, authorized the establishment of the Graduate School of Business as a new school within the Maine Business School at the University of Maine.

The Executive Committee acting on behalf of the Board of Trustees ratified:

- The March 21, 2017 filing of Maine Center Ventures' Articles of Incorporation; and
- The March 31, 2017 submission of Form 1023 to the IRS to seek federal 501(c)(3) status for Maine Center Ventures 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
- Authorized the formation of a Maine Center Ventures Board.
- Authorizes the Maine Center Ventures 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.

Finance, Facilities, Technology Committee. Trustee Turner reported that the Committee met on January 12, 2018. The Committee received a briefing on the following items: information technology projects with a value of \$250,000 or greater; the Networkmaine network outage; the new allocation model; the FY2017 annual report on Gifts, Fundraising and Endowments; and the Capital

Project Status Report. The Committee forwarded the following items to the Consent Agenda for the January Board of Trustees meeting: the Naming of the Cooperative Extension Diagnostic and Research Laboratory at UM, the Preliminary Space Reduction Initiative Approval at UMS, and the Schematic Design Center for the Arts at USM. The Committee, acting on behalf of the Board, approved the following items: the Research License Renewal Authorization at UM, the Wells Commons Generator Installation at UM, and the Lease Authorization Update at UMA,

Investment Committee. Trustee Turner reported that the Committee met on December 5, 2017. Representatives from CAPTRUST provided an update on the Defined Contribution Plan Vendor Fee, quarterly review and Roth options. Representatives from NEPC provided an overview of the performance of the Managed Investment Pool, the Pension Fund and the Operating Fund. NEPC also provided an update on the Environmental, Social and Governance trends. The Committee lacking a quorum forwarded the following items to the January Board of Trustees meeting for approval: Defined Contribution Plan – Vendor Fee and Mid Cap Growth Manager Review and the FY2019 Endowment Spending Rate.

UM Presidential Search Committee. Trustee Eames provide a report on the UM Presidential Search. Since the report at the November Board of Trustees meeting, great strides have been made in recruiting and selecting the next president. The neutral site interviews have been completed and following reference checks the committee will identify candidates to be invited for campus visits. Campus visits are planning for the weeks of February 19 and 26. Trustee Eames encouraged Trustee participation in the campus visits. At the conclusion of the campus visits, the committee will provide a list of acceptable candidates to the Chancellor with a summary of strengths and limitations. The Chancellor will conduct further due diligence and make a recommendation to the Board in March.

CHAIR'S REPORT

Certificate of Appreciation. Trustee Erwin, on behalf of the Board, presented, Ms. Kimberley Miner, UMaine Graduate Student Representative to the Board of Trustees a certificate of appreciation for her leadership and dedication to the University of Maine System during her term - May 2015 to January 2018.

Proposed New Board of Trustees Policy 214 Institutional Authority of Political Matters. Trustee Erwin stated that the Board will not be voting on the proposed Board of Trustee Policy 214 Institutional Authority of Political Matters at this meeting. Approval of the policy has been delayed until the March Board meeting to allow additional time for input and feedback.

Ad Hoc Committee on Board Governance and Structure. Trustee Erwin explained a Task Force was appointed in July to look at risk oversight and Board governance and structure. At the November Board meeting the Task Force recommended the risk oversight function be included as part of the responsibilities of the Audit Committee and an Ad Hoc Committee be appointed to look into Board Governance and Structure. Trustee Erwin suggested deferring the establishment of this Ad Hoc Committee until later in the year due to the number of Board initiatives currently in progress. He thanked the members of the Task Force for their recommendations and the Board will revisit the Board governance and structure recommendation in due course.

Annual Meeting with the Maine Legislature Education and Cultural Affairs Committee. Trustee Erwin shared that he and the Chancellor met with the Education and Cultural Affairs Committee for an annual meeting as part of the legislative oversight function. He felt the meeting went well and the Chancellor provided a general update on the key issues and initiatives for the University of Maine

System as well as an update on the bond request. Trustee Erwin stated he spoke to the Committee about the Maine workforce challenge and what the System is doing to assist the State with this challenge. The System's opportunities are longer term looking to the future with regard on how the System can reshape the workforce and help reshape the Maine economy. The Committee was receptive to the concept of looking out beyond the next couple of years. Trustee Erwin also talked to the Committee about how the System can do a better job collaborating across the whole public education spectrum so education can be a continuum from childhood to retirement.

CHANCELLOR'S REPORT.

Chancellor Page thanked the Chair for his remarks. He commented that the first read of the FY2019 budget is this week with budget presentations from each campus. He thanked the Presidents and their staff for their dedication and hard work in the budget process.

Update on UMM Head of Campus Search. UM/UMM President Susan Hunter provided an update on the UMM Head of Campus Search. One hundred and five applications were received for the position. The Search Committee reviewed and rated 57 applications and phone interviews were conducted with twelve individuals and in person interviews were conducted for four candidates. Dr. Andrew Egan has been named as the Vice President of Academic Affairs and Head of Campus. President Hunter sincerely thanked Dr. Kay Kimball for her wonderful leadership during the current academic year. Dr. Kimball has been a great partner and UMM is very lucky to have her on their staff. Due to Dr. Egan current commitment, Dr. Kimball has agreed to continue as Head of Campus until the end of August. It is anticipated that Dr. Egan will start mid-August.

Update on the UM Comprehensive Campaign. President Hunter provided a brief update on the *Our Vision of Tomorrow* comprehensive campaign. The public phase of the campaign began on November 13, 2017 with \$121,000 in commitments. The current level of commitment is \$134,000 toward the \$200 million goal. The University of Maine Foundation received a \$1 million matching gift from an anonymous donor. As of January 21st 139 donors have made gift commitments totaling over \$3 million in response to the match. There are four themes in the campaign: fostering student success, ensuring access for all of Maine, catalyzing Maine's economy and accelerating discovery to impact.

Update on the USM Capital Campaign. USM President Glenn Cummings provided a brief update on the USM Capital Campaign. The campaign is focused on workforce development and student success. The campus is working closely with the campaign co-chairs, Carolyn and Richard McGoldrick, and have secured gifts and pledges of \$6 million towards the goal of \$15 million, including a generous seed gift from the McGoldricks. The Promise Scholarship campaign continues in the quiet phase. Work continues to secure grant funding to establish an enhanced advisory support system to ensure the success of Promise Scholars. Funds to sustain dedicated advisory personnel will be raised through the Promise campaign. Gorham athletics as well as the Student Success Center in Portland continue to be a major focus. The campus is working closely with MEMIC on the Risk Management Endowment and have received gifts and commitments to date of \$1.81 million, 60.3% of the \$3 million goal.

Legislative Update. Chancellor Page asked Ms. Samantha Warren, Director of Community and Government Relations, to provide a brief legislative update. She spoke about a couple of bills that were being followed. The System was successful at demonstrating the fiscal impact of these bills for the UMS and the bills were dropped. There are been many individual meetings with Legislators and there seems to be positive feedback that a bond request would be received. The Education

Committee has been asked to provide feedback to the Appropriations Committee related to the bond request. She thanked the Student Representatives to the Board for their support in the development of a letter to the Education Committee as well as Legislative leadership that they feel the highest legislative responsibility for this session is to support the UMS bond request. She hopes to have talking points available within the next few weeks.

VICE CHANCELLOR FOR FINANCE AND ADMINISTRATION & TREASURER'S REPORT.

Financial Update. Mr. Ryan Low, Vice Chancellor for Finance and Administration & Treasurer, provided the following financial update.

Managed Investment Pool (including Endowment Fund). The Managed Investment Pool (MIP), with a market value of \$313 million, returned 1.0% for the month of November and is currently up 5.4% fiscal year to date. Changes in market value for the MIP, besides market fluctuations, include participant contributions and distributions including UMS contributions to the Other Post Employment Benefits (OPEB) Trust, the Maine Maritime Academy's participation in the Fund since January 2009, and the UM School of Law Foundation's participation in the MIP since July 2012.

Pension Fund. The Pension Plan, with a market value of \$31 million, returned 0.6% for the month of November and 3.5% fiscal year to date.

Operating Fund. The Operating Funds, with a market value of \$279 million, returned 0.1% for the month of November and 1.5% fiscal year to date.

Allocation Model. Vice Chancellor Low provided an update of the Allocation Model. The current allocation model has been in place with very minimal change for nearly 50 years. This limited the team's ability to shift existing resources without causing significant disruption across the campuses. Prior to 2013 the historical allocation by campus has been as follows: UM 50%, USM 25%, UMA 9%, UMF 6%, UMFK 3%, UMM 3% and UMPI 4%. Since 2014 any new allocation has been distributed using the Outcomes Based Funding formula. In 2018 it is recommended that the historic allocation model equal 75% of the total allocation and 25% be based on the Outcomes Based Funding formula. Then in 2019 changing to 70% of the allocation based on the historic allocation model and 30% of the Outcomes Based Funding formula and by 2020 all allocation would be based on the new funding model.

Vice Chancellor Low thanked the members of the Allocation Team for the time and dedication to the project. The new funding model would look at peer institutions along with IPEDS data from 2013, 2014 and 2015 focusing on the following peer cost centers: instruction, research, public service, academic support, library, student services, institutional and academic support and facilities.

Vice Chancellor Low explained the calculation of the peer instructional cost and the peer total unrestricted costs taking into account undergraduate versus graduate and resident versus non-resident data to determine the parity calculation. Vice Chancellor Low stated in order to receive as much feedback as possible, the new allocation model will be discussed during the spring campus visits, with several leadership groups and a briefing at the January Board meeting.

ACADEMIC AFFAIRS' UPDATE. Dr. Robert Neely, Vice Chancellor for Academic Affairs, provided an update on Academic Affairs.

Early College

Vice Chancellor Neely provided an update on the Early College. The overarching vision of Early College is to build a college-going culture between UMS universities and Maine high schools. The primary goals are to grow by 1800 students and have quality assurance for any UMS Early College course. The 2016-2017 headcount for Early College programs totals 2,886, the total student FTE is 1,138.7, and the student credit hours are 17,084. The search for a UMS lead coordinator for Early College is underway. The campus proposals in support of their Early College efforts were due January 29th.

Collaborative Master's Programs

Vice Chancellor Neely explained the President's Council and the Chief Academic Officers Council met in a joint session on November 18, 2017 to consider the potential for shared collaborative master's degrees. From a list of over 30 programs areas identified during that discussion, six areas were designated for priority action:

1. Emergency Response/Risk Management
2. Cybersecurity
3. MSN
4. Education
5. Athletic Training
6. Criminal Justice and Criminology

Task Force: Process for Collaborative Approval of Multi-campus Programs

Vice Chancellor Neely explained that an 11-person task force met for the first time to consider a process for collaborative approval of multi-campus programs. The task force is composed of 7 faculty (one per campus and many of whom sit on Faculty Senates/Assemblies), two campus administrators and two system administrators.

Nursing Initiatives

Vice Chancellor Neely shared several of the current nursing initiatives underway at the campuses. In order to increase the clinical placement opportunities UMaine is working with Eastern Maine Medical Center and Husson University and USM is working with Southern Maine Health Center, Maine General, the Veterans Administration, Milestone Recovery and others. UMPI is accepting students for a nursing cohort starting in the Fall of 2018 in partnership with UMFK. UMaine is currently working to create a unique partnership with an area health care system to use a tenure-track faculty member actively working with the provider to improve partner outcomes. The initial planning has begun for a pilot in the Bangor/Orono area of the accelerated Nursing Outreach to Rural Maine Program at Machias. UMFK launched the Rural U Nursing Pilot Program in the Spring of 2018, with students participating in 16 Maine high schools from Aroostook to Cumberland County. This is an example of a strong model of how early college can connect high school students to a Maine career. The UMS has launched the Introduction to Professional Nursing course, a two-credit, online course that introduces students to the concept of professional nursing while offering the opportunity to practice professional nursing skills and participate in professional nursing activities. The course includes an in-hospital component and tuition is free.

DISCUSSION ITEMS

Update on Strategic Resource Allocation Plan (SRAP) Progress. Vice Chancellors Neely and Low provided an update on the Strategic Resource Allocation Plan (SRAP) progress. The Board approved

funding at the November Board meeting for a number of SRAP initiatives. Vice Chancellor Neely provided an update on two of the academic areas.

Market Research Study. Dr. Neely and Ms. Rosa Redonnett, Chief Student Affairs Officer, are leading a team to initiate a Request for Proposal (RFP) and identify a vendor on a number of items. The focus will be around programming and the vendor is requested to provide information. Those include:

1. Program opportunities that could be achieved by rethinking existing programs within the UMS.
2. Which programs will require a multi-disciplinary approach.
3. Are there any specific modalities that will be important for the UMS to consider in capturing or re-capturing part of our market share in Maine and New England.
4. How can big data be used to inform our work particularly in terms of identifying emerging trends and fields of focus.
5. Offer recommendations on how to best use the information with faculty and staff. In addition, can the vendor help with these types of meetings and execution of communication, training and educational strategies.

Marketing of Academic Programs. The process to utilize the funding for the marketing of academic programs has not been developed yet. There has been several discussions. Dr. Neely indicated that the funding should be a very targeted, strategic way to market programs that have high growth potential. An example is the Cybersecurity program at the undergraduate and graduate levels.

Vice Chancellor Low explained the Accountability Data Dashboard and provided a demonstration on what information is available and how to use the data. There are a number of interactive graphs in the finance and academic areas.

UMaine 4-H STEM Ambassadors Update. UMaine Executive Vice President and Provost Jeff Hecker provided an update on the UMaine 4-H STEM Ambassadors. The 4-H STEM Ambassadors program involves trained undergraduate and graduate students delivering experiential STEM activities to youth at community host sites. The Board of Trustees investment for salary and benefits, supplies and travel is \$100,000. Since the program started in the 2013-2014 academic year, the number of youth impacted has grown from 16 to currently approximately 400 and the number of Ambassadors has grown from 2 to 64. To date the Ambassadors provided an estimate value of \$48,800 to the local communities they serve and the UMS is reaching over 1,000 youth annually.

Review of Proposed New Board Policy 214 – Institutional Authority on Political Matters.

Chancellor Page commented that the revision process for this policy development has worked well and expressed his appreciation for everyone's efforts. He particularly thanked the Faculty Representatives to the Board of Trustees for their efforts in the process. He also thanks General Counsel James Thelen for his leadership with this new Board Policy.

General Counsel and Chief of Staff Thelen presented the revised proposed new Board Policy 214 – Institutional Authority on Political Matters. Mr. Thelen outlined the extensive input/feedback process as detailed below:

*BOT Drafting Task Force 5/2/17, 8/7/17, 10/17/17
Presidents' Council (earlier 2/8/17, 4/12/17, 5/10/17, 6/14/17 (update only), 7/14/17 (update only), 8/9/17 (update only), 9/13/17, 10/11/17, 11/8/17, 12/12/17, 1/10/18*

UMS BOT Student Reps 11/20/17
UMS BOT Faculty Reps 11/19/17 (and via email through December 2017 to present)
UMaine Faculty Senate Executive Board 1/12/18
USM Faculty Senate 2/2/18 (scheduled)
UMA Faculty Senate 2/16/18 (scheduled)
UMM Faculty Senate - TBD

Mr. Thelen stated that the Faculty have provided beneficial feedback which has resulted in the current revisions to the policy. He also thanked the Student Representatives to the Board of Trustees for their engagement in the review process. The next step will be to present the final draft policy to the Board for approval at the March Board meeting.

ACTION ITEM

Approval of Revised Board Policies 404.4 and 404.5 – Terms of Appointment and Benefits for Presidents and Chancellor and University of Maine System Professor, Researcher, or Administrator. General Counsel and Chief of Staff Thelen provided a brief overview of the revised Board Policies 404.4 and 404.5.

Board policy 404.4 outlines terms of appointments and benefits for presidents/chancellor. Board policy 404.5 describes the UMS Professor, Researcher or Administrator status for which presidents may be eligible. The existing policies are not fully aligned with current UMS practice or national higher education practice. It is desirable to bring the practices and policies back into alignment to avoid confusion and misunderstanding about contractual terms of appointments with executives and to align expectations with actual practice for candidates who may review Board policies. Policy 404.5 no longer meets the needs of UMS and is proposed to be eliminated.

On a motion by Trustee Collins, which was seconded by Trustee Martin, the Board of Trustees approved the changes to Policy 404.4 and 404.5 as presented.

Confirmation of Student Representative to the Board of Trustees.

On a motion by Trustee Donnelly, which was seconded by Trustee Timm, the Board of Trustees approved the appointments of the following Faculty & Student Representatives to the Board of Trustees: Timothy Surette, UMA – December 2017 to June 2019 and Samuel Atwood, UMA – December 2017 to May 2019.

Confirmation of Appointment to the UMaine Board of Agriculture. Chancellor Page explained the appointment to the UMaine Board of Agriculture. In 1998 the Maine Legislature formed the Board of Agriculture to advise the Chancellor and the University of Maine President on matters concerning agricultural research and extension. The legislation forming the board stipulates that members of the board serve five-year terms. They may be reappointed or replaced at the end of that five-year period.

Pursuant to the legislation, the Chancellor makes one appointment to the board. UMaine recommended and the Chancellor approved the reappointment of Representative Donald Marean as the Chancellor designee. During his legislative service, he has served four terms on the Agriculture, Conservation, and Forestry Committee. He is active in the Standard Bred equine industry in the State and is very knowledgeable about the industry. Representative Marean's five-year term will be effective February 28, 2018.

On a motion by Trustee Donnelly, which was seconded by Trustee Eames, the Board of Trustees approved the reappointment of Representative Donald Marean to the UMaine Board of Agriculture for a five year term effective February 28, 2018.

Approval of the 2017 Maine Economic Improvement Fund Report. Mr. Jake Ward, Vice President for Innovation and Economic Development, provided a brief overview of the 2017 Maine Economic Improvement Fund (MEIF) Report. In FY2017, the State's \$17.35 million MEIF investment was leveraged at a rate of 3.4:1 by our UMS campuses for an additional \$58.6 million in federal and private-sector grants and contracts in the seven sectors. The MEIF funds and the external grants and contracts it leverages funded the work of 497 researchers and technicians, and 960 graduate and undergraduate students. These grants and contracts provided more than \$2 million to purchase major equipment to upgrade and outfit university labs. Maine's public universities secured new patents, worked on development projects with large and small businesses and start-ups, and provided R&D support to over 500 hundred companies and individuals

On a motion by Trustee Timm, which was seconded by Trustee Martin, Board of Trustees approved the 2017 Maine Economic Improvement Fund Annual Report as presented.

CONSENT AGENDA

On a motion by Trustee Fournier, which was seconded by Trustee Gardner, the items on the Consent Agenda were unanimously approved by the Board of Trustees as follows:

The Board of Trustees reviewed the following agenda items as forwarded by the Finance, Facilities, and Technology Committee to the Consent Agenda from its meeting on November 1, 2017:

Naming, Cooperative Extension Diagnostic and Research Laboratory, UM. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee for the University of Maine to authorize the naming of the University of Maine Cooperative Extension Diagnostic and Research Laboratory.

Preliminary Space Reduction Initiative Approval, UMS. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee to authorize the University of Maine System to pursue the removal by demolition of as much as 300,000 gross square feet of vacant, under-utilized or poorer condition space and to eliminate the backlog of capital investments and operating costs associated with that space at campuses State-wide, with final approval of the funding mechanism to occur at a later meeting.

Schematic Design Center for the Arts at USM. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee to authorize the expenditure of up to \$1 million to begin the Schematic Design of the Center for the Arts at the University of Southern Maine with funding to be provided by the USM Foundation subject to the approval of the University Treasurer.

RATIFICATION

Defined Contribution Plan – Vendor Fee Update. Trustee Turner explained that CAPTRUST periodically benchmarks the administrative fees that TIAA, as the plan's service provider, charges to UMS plan participants. Based on the most recent benchmark and negotiations, TIAA has agreed to lower the administrative expense charged against the plan effective January 1, 2018. The new

proposal offers to lower fees by 1.5 basis points (bp), from 8 bp (.08%) of plan assets to 6.5 bp (.065%), resulting in savings to plan participants of approximately \$210,000 per year. At the December 5, 2017 Investment Committee meeting, members supported the revised pricing.

On a motion by Trustee Collins, which was seconded by Trustee Moody, the Board of Trustees approved the revised lower TIAA administrative expense pricing of 6.5 basis points of plan assets effective January 1, 2018.

Mid Cap Growth Manager Review – Defined Contribution Plan. Trustee Turner stated that at the Mr. Michael Pratico with CATPRUST provided an update on the fund's performance at the December 5, 2017 Investment Committee meeting and discussed the Mid Cap Growth Investment Comparison. Following a disappointing performance in calendar 2015, the strategy again lagged its peers and the benchmark in calendar 2016. The strategy outperformed in the first half of 2016, but lagged significantly in the second half due to a rally in lower quality stocks. CAPTRUST noted that near term performance has been strong. Calendar year to date, through early December, the fund is up 25+% in absolute terms and in the top quartile peer relative. For the trailing one-year period, through early December, the fund is in the top third peer relative and up 27+% in absolute terms.

Based on recent fund performance, CAPTRUST recommended retaining Goldman Sachs and close scrutiny in the coming months which was supported by the Committee members present.

On a motion by Trustee Fournier, which was seconded by Trustee Gardner, the Board of Trustees approved the retention of the Goldman Sachs Growth Opportunities fund in the Defined Contribution Plan.

FY2019 Endowment Spending Rate. Trustee Turner explained that last March, when the Investment Committee approved the FY2018 endowment distribution rate per share, the Committee asked that the spending rate discussion occur earlier in the budget cycle so that changes could easily be made if warranted. Therefore, Ms. Tracy Elliott, Vice President of Finance and Controller, brought the proposed Fiscal Year 2019 (FY2019) endowment spending rate to the Committee for review and approval at its December 5, 2017 meeting.

The endowment spending rate has been 4.5% since FY2013, being adjusted down from 4.75% in FY2012 and 5% in FY2011. These adjustments were made to ensure the sustainability of the long-term spending ability of the endowment funds.

The current FY2018 spending rate of 4.5% (which includes an internal management fee, where charged) is currently estimated to generate a distribution of \$5.5 million for the year, including \$4.4 million for endowed spending and \$1.1 million for internal management fees. The FY2018 effective spending rate for UMS is 3.5%. The UMS Chief Business Officers and the Committee supported an endowment spending rate of 4.5% and management recommended this rate be continued for FY2019.

On a motion by Trustee Eames, which was seconded by Trustee Donnelly, the Board of Trustees approved an endowment spending rate of 4.5% for FY2019.

EXECUTIVE SESSION

On a motion by Trustee Moody, which was seconded by Trustee Collins, and by unanimous vote of Trustees present, the Board of Trustees meeting went into Executive Session under the following provisions:

- 1 MRSA Section 405 6-A to discuss the evaluation of personnel and the consideration and discussion of appointments, employment and duties.
- 1 MRSA Section 405 6-C to discuss the condition, acquisition or disposition of real property or economic development if premature disclosure of the information would prejudice the competitive or bargaining position of the UMS.
- 1 MRSA Section 405 6-D to discuss planning for negotiations and communications with AFUM, UMPSA, ACSUM, Police, PATFA, and Service and Maintenance Units.
- 1 MRSA Section 405 6-E to consult with its attorney concerning legal rights and duties of the university.

On a motion by Trustee Turner, which was seconded by Trustee Fournier, and by unanimous vote of Trustees present, the Board of Trustees concluded the Executive Session.

Action Item

Honorary Degree Nominations for 2019. On a motion by Trustee Fournier, which was seconded by Trustee Collins, the Board of Trustees approved the 2019 nominations for Honorary Degree, as amended.

Approval of Tenure at the time of hire, UMM. On a motion by Trustee Collins, which was seconded by Trustee Donnelly, the Board of Trustees approved tenure at the rank of Professor of Environmental Studies for Dr. Andrew Egan. The granting of tenure does not alter Dr. Egan's employment status or rights in his management group appointment and does not confer any rights to a faculty appointment when his appointment as Head of Campus and Vice President of Academic Affairs concludes.

Approval of Collective Bargaining Agreement – AFUM. On a motion by Trustee Collins, which was seconded by Trustee Donnelly, the Board of Trustees authorized the Chancellor to execute the collective bargaining agreement with the Associated Faculties of the Universities of Maine (MEA/NEA) upon notice that the agreement has been ratified by the union.

FY2018 & FY2019 Compensation and Benefit Changes for Non-represented Employees. On a motion by Trustee Eames, which was seconded by Trustee Donnelly, the Board of Trustees approved the recommendation for the Non-Represented Compensation and Benefit changes for FY2018 and FY2019 as presented.

Approval of Collective Bargaining Agreement: Fraternal Order of Police, Lodge #100. On a motion by Trustee Fournier, which was seconded by Trustee Eames, the Board of Trustees authorized the Chancellor to execute the collective bargaining agreement with the Fraternal Order of Police, Lodge #100 upon notice that the agreement has been ratified by the union.

DATE OF NEXT MEETING

The next meeting of the Board of Trustees will be held on March 18-29, 2018 hosted by the University of Southern Maine.

Adjournment
Ellen N. Doughty
Interim Clerk