

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

at the University of Southern Maine
January 29 & 30, 2017

Board of Trustees Meeting

Present: Samuel Collins (by phone), Gregory Johnson, Chair pro tem; James Donnelly, James Erwin, Norman Fournier, Mark Gardner, Shawn Moody, Theresa Sutton and Karl Turner. **Chancellor:** James Page. **Faculty Representatives:** Ray Albert, Uriah Anderson, Terry Colby, Cathleen McAnney, Lisa Leduc, Elizabeth Turesky and Patti Miles. **Student Representatives:** Brad O'Brien, Sarah Connelly, Alex DesRuisseaux, Kimberley Miner, Ross Harris, Issac Michaud, Samuel Borer, and Clair Aldrich. **University Presidents:** Glenn Cummings, James Conneely, Kathryn Foster, Susan Hunter, John Short, Ray Rice and Sue Huseman. **System Staff:** Tracy Bigney, Lynda Dec, Dan Demeritt, Tracy Elliott, Chip Gavin, Ryan Low, Tamara Mitchell, Robert Neely, Rosa Redonnett, Mark Schmelz, Sam Warren, James Thelen, Richard Thompson, and Rebecca Wyke.

Absent: Jason Coombs, Michelle Hood and Kevin McCarthy.

Sunday, January 29, 2017

Trustee Johnson, Chair pro tem, called the meeting to order

CHAIR'S REMARKS

Trustee Johnson thanked President Cummings and the staff at USM for hosting the Board of Trustees meeting. He welcomed Mr. Tony Payne, Chair of the USM Board of Visitors (BOV) and thanked him for joining the Trustees at the Board table.

Trustee Johnson confirmed that Trustee Collins would be participating in the meeting by phone.

Resolution for Bonnie Newsom. On a motion by Trustee Donnelly, which was seconded by Trustee Gardner, the Board of Trustees approved the following resolution for Bonnie Newsom:

Whereas, Ms. Bonnie Newsom served as a member of the University of Maine System Board of Trustees from June 3, 2011 to December 23, 2016;

Whereas, Ms. Newsom served on the Executive Committee, Academic & Student Affairs Committee, Human Resources & Labor Relations Committee, Technology Committee, and Trustee Affairs Committee. She was also a member of the UMFK Presidential Search Committee;

Whereas, Ms. Newsom has been an effective and thoughtful Trustee;

Whereas, Ms. Newsom exhibits the courage to speak when she knows her view may be different from others, and in the process often helps others see issues in a broader light;

Whereas, Ms. Newsom takes a long view of the impact of actions, looking 25, 50 or 100 years into the future to identify what is best for students, Maine and the University of Maine System;

Whereas, Ms. Newsom always expresses respect and appreciation for others and has a keen interest in the work of students and faculty;

Whereas, effective December 23, 2016 Ms. Newsom has completed her service as a member of the Board of Trustees;

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 Ms. Bonnie Newsom for her outstanding contributions to the quality of higher education in Maine.

Approved on the 29th day of January 2017, by the University of Maine System Board of Trustees, acting as stewards of Maine's public universities and their nearly 30,000 students, 5,000 employees and more than 200,000 living alumni.

ACCEPTANCE OF MINUTES

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

November 13-14, 2016 - Board of Trustees Meeting

December 6, 2016 - Executive Committee Meeting

December 8, 2016 - Investment Committee Meeting

January 6, 2017 - Finance/Facilities/Technology Committee Meeting

January 23, 2017 - Academic & Student Affairs Committee Meeting

COMMITTEE REPORTS

Academic & Student Affairs Committee. Trustee Johnson reported that the Committee met on January 23, 2017. The Committee received updates on the report and recommendations to the Legislature for the UMS Veterans' Services and the Collaborative and Multi-Campus Degrees in nursing, cybersecurity, GIS and Emergency Management Planning. The Committee had a discussion on dealing with the statewide nursing shortage, the UMS commitment to civility and the implementation and next steps for Board Policy 402 - Sex Discrimination, Sexual Harassment, Sexual Assault, Relationship Violence, Stalking and Retaliation. The Student Representatives discussed a student survey that is being conducted this spring in anticipation of campus visits by Vice Chancellor for Academic Affairs Robert Neely and Chief Student Affairs Officer Rosa Redonnett. The focus of the survey is to ascertain those areas of most import to students as regards their academic experience. The Faculty Representatives, working with the Chancellor and the Vice Chancellor for Academic Affairs, discussed the duties and obligations they have been formulating related to their work as faculty representatives.

Executive Committee. Trustee Collins reported that the Committee met on December 6, 2016 and discussed the University of Maine System's commitment to civility and its ongoing commitment to Board Policy 212 Free Speech and Assembly and 414 Campus Violence. The Committee approved the amended minutes from the March 13-14, 2016 Board of Trustees meetings, which originally omitted the approval of the Financing and Project Authorization resolution related to the issuance of revenue bonds.

Finance/Facilities/Technology Committee. Trustee Fournier reported that the Committee met on January 6, 2017 and received several updates on the following items: the USM Advancement Transition to the UMS Foundation, a local food update, the Capital Projects Status Report, the State of IT Report for 2016 and a review of information technology projects with a value of \$250,000 or greater. The Committee was provided an overview of the FY2016 Annual Report on Gifts, Fund Raising and Endowments. The following items were approved by the Committee and forwarded to the Consent Agenda for the January 29-30, 2017 Board meeting: Master Planning Updates from UMS, UMF and USM; Aquatic Animal Health Facility at UM; Real Property Acquisition at 41

Pleasant Street in UMFK, Real Property Acquisition at 70 Pleasant Street in UMFK; Anderson Hall Renovation at USM, Science/Bio Science Build-Out at USM and the Maine Regional Optical Network (MaineREN) Upgrade Project Approval.

Investment Committee. Trustee Turner reported that the Committee met on December 8, 2016. The Committee was provided an update on the Defined Contribution Plan and the Defined Contribution Plan education meetings; the actuarial results for the Retirement Plan for Classified Staff; and performance reviews on the Managed Investment Pool, the Defined Benefit Pension Fund and the Operating Cash Fund. The Committee also received an update on the Environmental, Social and Governance Investing and the MSCI reporting. The Committee recommended approval of the following items, which will be ratified at the January 29-30, 2017 Board of Trustees meeting: the Defined Contribution Plan updated Investment Policy Statement, the Operating Fund Manager Recommendation of PIMCO Floating Income and the Investment Manager Discussion of Permal.

DISCUSSION ITEM.

Faculty Representatives' Duties and Obligations. The Faculty Representatives to the Board of Trustees have been working, in discussion with Chancellor Page, to better define the Duties and Obligations of Faculty Representatives to the Board of Trustees. The goals of this work are clearer mutual expectations between the Board of Trustees and the Faculty Representatives and between the Faculty Representatives and their faculty constituents. Having clearer duties, obligations and mutual expectations will enable the Faculty Representatives to fulfill their roles with greater efficacy. Chancellor Page, Professor Cathleen McAnneny and Professor Patti Miles presented the outcomes of this work.

BOT/BOV MEETING. The USM Board of Visitors (BOV) met with the members of the Board of Trustees. The following members of the USM BOV were present: Mark Bessire, Roxane Cole, Jane Eberle, Luc Nya, Tony Payne, Kent Peterson and Laurenz Schmidt. The USM BOV Ex Officio Members present were the following: Humza Khan, Ed McKersie, Tom Parchman, and Linda Varrell.

Monday, January 30, 2017

Trustee James Erwin, chair pro tem, called the meeting order and confirmed that Trustee Collins was participating by phone.

CITIZEN COMMENT

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

Richard Biloderu – MBA
Nick Schroeder – Susan Collins vote on Betsy DeVos
Sarah Connelly – introducing USM students and their direct concerns
Jim McClymer – MBA
Bob Heiser – MBA Program

CHAIR'S REPORT

Trustee Collins, participating by phone, thanked Trustee Erwin for acting as Chair pro tem for the meeting. Trustee Collins also thanked President Cummings for hosting the Board meeting and Mr.

Tony Payne, Chair of the USM Board of Visitors (BOV) and all of the members of the USM BOV for their dedication and partnership.

Trustee Collins commented that he feels the UM/UMM partnership is an extension of the One University model with positive benefits for both campuses, including increased enrollment. He has heard many positive outcomes from partnerships and collaborations between other campuses. The One University is all about leveraging the System's competencies and assets so synergies can be realized and the System can be more cost effective.

Trustee Collins commented that the UMS current budget review process is much smoother and more refined than three years ago, and the Trustees are exercising their fiduciary responsibility of oversight more keenly than ever before. He stated that he is very impressed with how Chief Business Officers, the Chief Finance Officer Ryan Low and the Presidents are working in concert in striving for balanced budgets.

Trustee Collins suggested, for a future meeting, it would be beneficial to have a master list of all of the collaborative efforts and shared services currently underway across the University of Maine System.

CHANCELLOR'S REPORT. Chancellor Page thanked USM for hosting the Board meeting and Mr. Tony Payne, Chair of the USM Board of Visitors, for joining the Trustees at the Board table.

Legislative activities

Chancellor Page stated the new Legislative session is underway and the UMS' focus in this early period is on the Supplemental Budget, which has significant impact on the University System as it contains moneys for E & G that are in lieu of a tuition increase for the current year. It also includes moneys for early college programming, pre-law, cooperative extension, and New Ventures Maine (formerly Women, Work and Community). All of these are important, priority items for the Board and the University of Maine System.

Chancellor Page commented that March 2nd has been identified as Higher Education Day at the Legislature and he, Derek Langhauser from the Maine Community College System, and William Brennan from the Maine Maritime Academy will be addressing the Joint Session of the Legislature on the state of higher education in Maine. This is a day where the UMS has traditionally gone to the Legislature with the Board of Trustees, the Boards of Visitors, Presidents and System Leadership Team to show to the Legislators the importance of higher education and the priorities for the UMS.

USM BOV & BOT Meeting

Chancellor Page stated there was a significant discussion during the USM Board of Visitors meeting with the Board of Trustees on Sunday. The heart of the discussion was the critical engagement between the community, including the members of the Board of Visitors and the Trustees. All groups are working together to advance higher education in Maine. This coordinated effort falls under the One University, which is a set of behaviors, a set of cultural approaches, and the ability and capacity for the institutions to bring all resources together.

VICE CHANCELLOR FOR FINANCE AND ADMINISTRATION'S REPORT.

Update on Strategic Resource Allocation Planning.

Dr. Rebecca Wyke, Vice Chancellor for Finance and Administration provided an update on the Strategic Resource Allocation Planning. She thanked Trustee Collins for his comments on the budget

process and expressed appreciation to the campus and System staff for their time and dedication in the development of the budgets. Dr. Wyke stated she appreciated the recognition and thanked the presidents, the chief business officers, Ryan Low, Dick Thompson, Chip Gavin, the human resources team, and the finance team. She also thanked Ryan Low, Tracy Elliot and Miriam White for their time and dedication in working with UMM.

The purpose of the Charter for the Strategic Resource Allocation Planning is to set the schedule and task assignments, roles, and responsibilities of those charged with the integrated implementation planning phase of the resource allocations and investments from January 1 through July 31, 2017. The integrated implementation planning schedule is as follows:

January 2017

- Update to Board of Trustees including gap analysis – January Meeting
- Hire Institutional Research & Reporting Staff

February – April 2017

- Identify Peer Institutions by Campus

January – May 2017

- Integrated Implementation Planning
 - Campus-level Planning – Alignment of Planning with Institutional Mission
 - Integration of Planning Efforts with Enrollment Management & Budget Plans
 - Develop Detailed Implementation Plan – Investments & Metrics
 - Track Legislative Agenda re: Investment Funds

March 2017

- Update to Board of Trustees including gap analysis – March Meeting
- Deliver a map cross-referencing the priority outcomes and initiatives with the four strategic integration targets

April 2017

- Conduct a Round of Campus Visits

May 2017

- Update to Board of Trustees including gap analysis – May Meeting

May – June 2017

- Finalize Investments & Metrics – Draft the Report

July 2017

- Report to Board of Trustees – Detailed Integrated Implementation Plan
- Deliver a gap analysis of the priority outcome initiatives including an assessment of available versus needed resources for implementation

The Integrated Implementation Planning Team members include the following:

Sponsor: Chancellor James H. Page

Team Lead: Vice Chancellor Rebecca Wyke

Team: Vice Chancellor Bob Neely, Chief Financial Officer Ryan Low, Chief Student Affairs Officer Rosa Redonnett

Team Direct Support: Megan Clough, Jake Ward, Tamara Mitchell

Specialization Areas:

- Enrollment: Rosa Redonnett
- Student Success and Completion: Rosa Redonnett
- Fiscal Positioning: Rebecca Wyke, Ryan Low
- Research and Economic Development:
 - Core R&D and commercialization: Jake Ward
 - Workforce and community engagement: Bob Neely
- Relevant Academic Programming and Academic Transformation: Bob Neely
- UMS Workforce Engagement: Megan Clough and Tamara Mitchell

The Chancellor is the Sponsor and remains the point of contact with the Board of Trustees for this effort. Vice Chancellor Wyke has overall responsibility for the Integrated Implementation Planning team's work and will report at least biweekly to the Chancellor on progress. The Integrated Implementation Planning team will work with the Presidents and their respective leadership teams to perform the tasks and meet the deliverables outlined in the Schedule. The Charter may be modified with the Chancellor's written approval.

VICE CHANCELLOR FOR ACADEMIC AFFAIRS' REPORT. Dr. Robert Neely, Vice Chancellor for Academic Affairs, provided an update of the status of the key academic initiatives. Dr. Neely provided an overview of the initiatives currently under way and ideas for new possibilities. He explained that the Administrative Financial Planning Implementation Team would include two Chief Academic Officers, two Chief Business Officers, a bursar, director of administrative systems, UMS Chief Financial Officer & Associate Vice Chancellor and the Vice Chancellor for Academic Affairs. The charge for the Team includes:

- consistent tuition structure for collaborative and online programs
- a revenue sharing model for collaborative and online programs
- establish new definitions, policies and processes for course and program fees to simplify student billing and payments

Dr. Neely commented that he is working on the Administrative Student Issues Team membership, which will include 12 nominees chaired by Ms. Rosa Redonnett, Chief Student Affairs Officer. The charge for this team includes:

- seamless enrollment and access to courses in collaborative and online courses/programs
- consistent approaches for student recruitment, retention and support in collaborative and online programs.

Other administrative planning implementation teams include an Administrative Library Resources Team, Institutional Research Team, Technology Team and Distance Delivery (Unified Online).

Dr. Neely explained his thoughts on repositioning the "Feel" of Planning Implementation as follows:

1. Regular engagement and communication
2. Collaborative involvement with Planning Implementation teams
3. Focusing Planning Implementation team efforts
4. Vice Chancellor for Academic Affairs leadership on Planning Implementation team(s)
5. Clarifying expectations
6. Recognizing & incentivizing Planning Implementation faculty leadership & program development
7. Support for face-to-face interactions among team members
8. Providing and funding opportunity for faculty ideas

TREASURER'S REPORT.

Financial Update. Mr. Ryan Low provided the following financial update.

Managed Investment Pool (including Endowment Fund). The Managed Investment Pool (MIP), with a market value of \$268 million, returned -0.3% for the month of November and 1.9% for the fiscal year to date. Changes in market value besides market fluctuation include: participant contributions and distributions including the UMS contributions to the 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 Defined Benefit Pension Plan, with a market value of \$31 million, saw a return for the month of November of -0.7% and 0.5% for fiscal year to date.

Operating Fund. Operating Funds, with a market value of \$260 million, returned -0.5% for the month of November and 0.7% for fiscal year to date.

Unified Budget

Mr. Low stated that the Trustees endorsed the 29 recommendations in September 2016 for the Unified Budget. The Unified Budget will be a big focus for the finance team in the February to May timeframe. Most of the recommendations will be in place for the next fiscal year and the goal is to finalize most of the recommendations by May to allow time for conversations with the Presidents, the Board, staff, students, and faculty as well as campus visits before the recommendations are fully implemented. The implementation plan is being developed for each of the recommendations.

Unified Financial Management Structure. Mr. Low provide an update on the Unified Financial Management Structure. The UMS moved to this new Unified Financial Management Structure in July 2015, so the System is now 18 months into this process. He stated it has been a huge benefit to have the finance team in one area in the same building. One significant change is the reporting lines for the Chief Business Officers. There has been a substantial shift in willingness to collaborate and work together to look for common solutions. Mr. Low stated that he places all of the credit resulting from this work to the Presidents and the Chief Business Officers. He feels the budgets are much better due to the input from the staff, students and faculty.

In March there will be seven unique budget presentations all through a lens that emphasizes and focuses on the priority outcomes identified by the Trustees, which allow focus on the whole budget not just limiting the conversations to the small incremental adjustments that are needed on a regular basis. UMF, UM and UMA are tackling enrollment; UMM and USM are addressing student success; and UMFK and UMPI are addressing regional needs. The System is using a common approach to budget building and presentation, but it is not a common budget - each campus has a unique budget. The goals moving forward include maturing as a finance organization and continuing to share best practices.

INFORMATION ITEMS

Primary Partnership: University of Maine at Machias and University of Maine. Chancellor Page, Mr. James Thelen, General Counsel and Chief of Staff, UMM President Sue Huseman and UM President Susan Hunter provided an update on the UM/UMM Primary Partnership.

Recognizing the enrollment and demographic challenges in the region and the financial stress they cause, the University of Maine at Machias and its many community partners have been challenged to

fulfill their critical mission of service to students, the people of Washington County, and the State of Maine. With this in mind, in April 2016, the University of Maine at Machias, the University of Maine, and the University of Maine System announced a Primary Partnership between UMaine and UMM. The goals of the partnership included Machias campus revitalization, increased enrollment, and operational efficiencies and economies of scale between the institutions.

From then through October 2016, two sets of planning teams worked to identify opportunities for increased administrative integration and greater academic collaboration between the institutions to expand student and community opportunities throughout the Downeast region. An Administrative Integration team submitted a report in July 2016 that detailed proposed and, in certain cases, on-going collaborations and economies of scale to be achieved by and between UM and UMM in enrollment management, admissions, registrar/bursar's office, financial aid, human resources, marketing and communications, student affairs, and research administration functions. In October 2016, the Academic Team submitted a report that detailed proposed academic program collaborations and curricular alignment between UM and UMM that would build on the System-wide Program Integration work already underway to facilitate enrollment growth, reduce expenses, and better serve students.

A Structure and Governance Team was charged in mid September 2016 to analyze the organizational structure and governance options for the UM/UMM Primary Partnership. The Team was comprised as follows:

Susan J. Hunter, Ph.D., President, UM – *CoChair*
Sue Huseman, Ph.D., President, UM Machias – *CoChair*
Miles Theeman, UM Board of Visitor representative
Charles Rudelitch, UM Machias Board of Visitor representative
Bonnie Newsom, UMS Board of Trustee representative (until December 2016)
James B. Thelen, UMS Chief of Staff and General Counsel – *Team Facilitator*
Tamara Mitchell, UMS Director of Organizational Effectiveness – *Facilitation Support*

The Task Team was to consider all academic, administrative and governance structures and functions. The Task Team was to make final recommendations to the Chancellor in sufficient time to permit an initial report to the Board of Trustees at its November 13-14, 2016 meeting. The basic structure, governance, finance, administration, legal, and accreditation recommendations are outlined below.

Basic Structure and Governance

The UMM is to become a regional campus of UM effective July 1, 2017 and will continue offering 4-year degree programs that may be started and completed in Machias, but with expanded collaboration on programs, internships, and research opportunities with UM for opportunities for both institutions' students. UMM will report separately to Department of Education (DOE) for IPEDS purposes and maintain existing PPA for Title IV eligibility with DOE (UM to assume responsibility for UMM PPA obligations).

The UMM President will be succeeded, effective July 1, 2017, by an Executive Dean, who will report to the UM President and serve on the UM President's Cabinet, the UM Provost's Council and the UM Dean's Council. The UMM Executive Dean will be de facto Chief Academic Officer for UMM faculty. UMM will retain its Board of Visitors, with members appointed by UM President with advice from UMM Executive Dean, and expected overlap between UM/UMM Board of Visitors.

Finance and other Administration

The UM Chief Business Officer will have overall responsibility for UMM's budget, finance, and business operations. The budget development for FY2018 is ongoing and will continue with separate budgets prepared for UM and UMM, respectively, to best determine how UM's overall governance impacts UMM and to effectively track UMM's fiscal stability as a regional campus of UM. Though UM will have effective control of UMM's FY2018 budget as of July 1, 2017, through the UM Chief Business Officer, the UMM budget will remain separate, with UMM accounted for internally as an operating unit of UM. UM Chief Student Affairs Officer will lead Student Affairs with UMM local administration. Accounting for reserves, auxiliaries, and advancement related activities will be maintained separately through this period as well. These accounting, finance, and budget recommendations will be subject to on-going review, with changes in the future as necessary subject to BOT review/approval.

The UMM name will not change and the UM and UMM missions will not change. UMM will continue to issue diplomas and transcripts (Board of Trustees may authorize campus to continue to grant degrees in its own name for programs completed in Machias). The UMM sports and campus-based activities will not change.

Legal and Accreditation

The new structure and governance will comply with the System Charter and State law. UMM will continue to seek NEASC accreditation as part of UM's accreditation (through joint substantive change application to NEASC's Commission on Institutions of Higher Education). UM and UMM will work jointly, coordinated with the Chancellor's office, on reports to NEASC to facilitate continued accreditation under UM's institutional accreditation.

UM and UMM Local Prospective

Mr. Charles Rudelitch, President of UMM Board of Visitors and Mr. Miles Theeman, former member of UM Board of Visitors, provided a local perspective of the UM/UMM Primary Partnership.

Representatives from the Chancellor's office and UM and UMM will seek further input from stakeholders at all levels before seeking Board of Trustees approval of the plan at the Board's March 26-27, 2017 meeting. The Chancellor's office will also coordinate with UM and UMM to provide appropriate updates to NEASC's Commission on Institutions of Higher Education, the institutions' accrediting body.

A lengthy discussion followed with questions and input from the Board of Trustees, the Presidents, UM and UMM Faculty Representatives to the Board of Trustees and Board of Visitors representatives.

2017 Revenue Bond Financing. Ms. Tracy Elliot, Director of Finance and Controller, explained the 2017 Revenue Bond Financing. Work is proceeding on the 2017 issuance of University of Maine System (UMS) revenue bonds authorized by the Board of Trustees on March 14, 2016. A memorandum from UMS Bond Counsel, James Pitney, Jr. with PretiFlaherty to the Board summarizes certain securities law requirements applicable to the UMS 2017 revenue bonds. Such requirements include the duty of the Trustees to obtain and become familiar with the Preliminary Official Statement (POS) for the UMS 2017 bonds and, if warranted, to question UMS officials, employees and other agents about the POS and the final Official Statement (OS). Although the preparation of the POS and the OS has been delegated to the UMS Treasurer, the Trustees, together

with the Treasurer, remain responsible for the material accuracy of the POS and the OS. In that regard, an early draft of the POS was provided for Trustee review.

The POS is a preliminary prospectus on the UMS's pending bond issue, circulated to gauge the level of interest among prospective investors. It includes information regarding the purposes of the UMS's bond issue and how the bonds will be repaid. It also includes financial and economic characteristics of the UMS and addresses certain legal and tax matters. The POS is substantially complete with the exception of certain highlighted data specific to the upcoming bond sale, but will undergo minor edits prior to being finalized and circulated to the UMS' rating agency in late February and to potential investors in mid-March.

UMS management welcomed the Board's questions, comments, and concerns related to the POS which should be communicated to Darla Reynolds, Director of Accounting by **February 14, 2017** so that the issues can be addressed prior to finalizing the POS. The OS will be substantially similar to the POS, but will be issued after the bond sale and will include information about the final terms of sale, including interest rates. The Board members will be provided a copy of the final POS and the final OS as reference material.

ACTION ITEMS

Approval of the 2016 Maine Economic Improvement Fund (MEIF) Annual Report. Mr. Jake Ward, Vice President for Innovation and Economic Development at UMaine, provided an overview of the MEIF report. The MEIF represents the ongoing commitment between the State, the private sector and our public universities, working together to advance research and economic development for the benefit of all Maine people. These funds, provided through State Appropriation to the University of Maine System, are dollars specifically to support university-based research, development and commercialization in the State's legislatively designated seven strategic technology areas:

- Advanced Technologies for Forestry and Agriculture
- Aquaculture and Marine Sciences
- Biotechnology
- Composites and Advanced Materials Technologies
- Environmental Technologies
- Information Technologies
- Precision Manufacturing

In FY2016, the State's \$17.345 million MEIF investment was leveraged at a rate of 3:1 by our UMS campuses for an additional \$50.3 million in federal and private-sector grants and contracts in the seven sectors. The University of Maine and the University of Southern Maine have well-established research, development and commercialization activities accounting for 97% of the MEIF activity. In 2009, the University of Maine System established the Small Campus Initiative Fund to promote seven-sector research and development activity at the other five UMS campuses and, as of 2013, Maine Maritime Academy.

On a motion by Trustee Fournier, which was seconded by Trustee Gardner, the Board of Trustees approved the 2016 MEIF Annual Report as presented.

Approval of Appointment of the University of Maine Board of Agriculture. Chancellor Page and UM President Hunter explained that there is a change to the appointment to the University of Maine Board

of Agriculture which requires Board approval. 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.

The legislation provides that two research faculty members associated with agricultural research at UMaine serve on the Board, with the approval of the Board of Trustees. Dr. Lois Berg Stack, Professor of Sustainable Agriculture/Ornamental Horticulture Specialist, was appointed to the Board of Agriculture for a five -year term beginning in 2015. Dr. Stack is retiring as of December 31, 2016.

The research faculty member recommended to succeed Dr. Stack is Dr. Ellen Mallory, Associate Professor of Sustainable Agriculture and Extension Sustainable Agriculture Specialist. Dr. Mallory will serve as a faculty representative to the Board of Agriculture for a five-year term beginning January 1, 2017 until December 30, 2021.

Dr. Mallory develops and conducts educational programs in sustainable and integrated farming systems for agricultural producers, agricultural educators and citizens throughout the State. She manages an active, externally funded research program that complements those programs. Her primary interests are focused on local production of food and feed grains, and on soil quality, soil fertility and nutrient cycling.

On a motion by Trustee Gardner, which was seconded by Trustee Sutton , the Board of Trustees approved the following research faculty appointment to the UMaine Board of Agriculture: Dr. Ellen Mallory for a five-year term beginning January 1, 2017 and ending December 30, 2021.

RATIFICATION OF ACTIONS

The Board of Trustee ratified the following actions from the December 8, 2016 Investment Committee meeting:

Defined Contribution Plan – Updated Investment Policy Statement. On a motion by Trustee Turner, which was seconded by Trustee Moody, the Board of Trustees approved the update to the Investment Policy Statement for the Defined Contribution Plan.

Operating Fund Manager Recommendation – PIMCO Floating Income. On a motion by Trustee Turner, which was seconded by Trustee Moody, the Board of Trustees approved the reallocation of the PIMCO Floating Income funds (approximately \$12.7 million) equally across the following current managers:

- Income Research & Management: Short Term Aggregate Exposure
- Blackrock Strategic Income Opportunities: Diversified credit exposure with allocations to Emerging Market Debt
- Loomis Sayles: Below investment grade exposure

Investment Manager Discussion – Permal. On a motion by Trustee Turner, which was seconded by Trustee Moody, the Board of Trustees approved retention of investments with Permal Fixed Income Holdings, in the Managed Investment Pool, Pension, and Operating Funds.

CONSENT AGENDA

On a motion by Trustee Fournier, which was seconded by Trustee Turner, 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/Technology Committee to the Consent Agenda from its meeting on January 6, 2017:

Master Planning Updates: UMS, UMF & USM. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee to acknowledge the campus master planning updates from UMF and, without granting Trustee approval for any specific expenditure or capital project that would otherwise require Trustee consideration, encouraged the University to continue its efforts to complete, maintain and act in accordance with that plan as well as other applicable directives of the Trustees; and,

The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee to acknowledge the campus master planning updates from USM and, without granting Trustee approval for any specific expenditure or capital project that would otherwise require Trustee consideration, encouraged the University to continue its efforts to complete, maintain and act in accordance with that plan as well as other applicable directives of the Trustees.

Aquatic Animal Health Facility, UM. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee to authorize the expenditure of up to \$2,300,000, including \$1,150,000 of Grant Funding from the State of Maine Marine Economy Jobs Bond and \$1,150,000 of campus match money from capital reserves, to construct the Aquatic Animal Health Facility within existing University space.

Real Property Acquisition - 41 Pleasant Street, UMFK. The Board of Trustees approved the recommendation of the Finance, Facilities, and Technology Committee to authorize the temporary increase of square footage associated with the acquisition of the facility at 41 Pleasant Street by the University of Maine System acting through the University of Maine at Fort Kent with the understanding the facility is to be demolished and will not be occupied or utilized by the University.

Real Property Acquisition - 70 Pleasant Street, UMFK. The Board of Trustees approved the recommendation of the Finance, Facilities, and Technology Committee to authorize the temporary increase of square footage associated with the acquisition of the facility at 70 Pleasant Street by the University of Maine System acting through the University of Maine at Fort Kent with the understanding the facility is to be demolished and will not be occupied or utilized by the University.

Anderson Hall Renovation, USM. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee to authorize the University of Southern Maine to expend up to \$1.25 million from E&G funds, with approximately \$800,000 to be internally recovered from University Academy, for renovations to Anderson Hall.

Science Building Renovations and Build-Out, USM. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee to authorize the

University of Southern Maine to expend up to \$1.6 million from E&G funds to renovate and build-out 7,535 square feet of existing space in the Science and Bio-Science Buildings.

MaineREN Upgrade Project Approval. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee to authorize the University of Maine System to expend up to \$3,000,000 in Maine Optical Network Reserve funds for the upgrade of the MaineREN Upgrade Project.

INFORMATION ITEMS

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

- 2015-2016 Annual Report on Degrees Conferred
- Capital Projects Status Report
- Strategic Initiatives Status Update
- Local Food Update, UMS
- Dashboard Indicators
- Agenda Calendar

EXECUTIVE SESSION

On a motion by Trustee Fournier, which was seconded by Trustee Moody, 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, evaluations, employment and duties.
- 1 MRSA Section 405 6-E to consult with its attorney concerning legal rights and duties of the university.
- 1 MRSA Section 405 6-D to discuss planning for negotiations and communications with AFUM, UMPA, ACSUM, Police, PATFA, and Service and Maintenance Units.

On a motion by Trustee Fournier, which was seconded by Trustee Moody, the Board of Trustees concluded the Executive Session.

Honorary Degree Nominations for 2018. On a motion by Trustee Fournier, which was seconded by Trustee Turner, the Board of Trustees approved the Honorary Degree Nominations for 2018, as presented.

Honorary Degree Nominations for 2017. On a motion by Trustee Fournier, which was seconded by Trustee Turner, the Board of Trustees approved the Honorary Degree Nominations for 2017, as presented.

DATE OF NEXT MEETING

The next meeting of the Board of Trustees will be held on March 26 & 27, 2017 at the University of Maine at Augusta.

Adjournment

Ellen Doughty for
Tracy B. Bigney, Clerk