

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

at the University of Maine at Augusta
March 26 & 27, 2017

Board of Trustees Meeting

Present: Samuel Collins, Chair; Gregory Johnson, Vice Chair; Jason Coombs, James Donnelly, Lisa Eames, James Erwin, Norman Fournier, Michelle Hood, Kelly Martin, Shawn Moody, Theresa Sutton and Karl Turner. **Chancellor:** James Page. **Faculty Representatives:** Ray Albert, Terry Colby, Cathleen McAnney, Elizabeth Turesky and Patti Miles. **Student Representatives:** Brad O'Brien, Kimberley Miner, Issac Michaud, Jay Knowlton, and Samuel Borer. **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, Rosa Redonnett, Mark Schmelz, Sam Warren, James Thelen, Richard Thompson, and Rebecca Wyke.

Absent: Mark Gardner and Robert Hasson.

Sunday, March 26, 2017

Trustee Collins, Chair, called the meeting to order.

EXECUTIVE SESSION

On a motion by Trustee Johnson, which was seconded by Trustee Turner, 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.

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

CHAIR'S REMARKS

Trustee Collins thanked President Conneely and the staff at UMA for hosting the Board of Trustees meeting. He welcomed Ms. Jan Mokros, Chair of the UMA Board of Visitors (BOV) and thanked her for joining the Trustees at the Board table. Trustee Collins welcomed the two new Trustees: Lisa Eames and Kelly Martin.

ACCEPTANCE OF MINUTES

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

- January 29 & 30, 2017 - Board of Trustees Meeting
- March 6, 2017 – Human Resources & Labor Relations Committee
- March 6, 2017 – Academic & Student Affairs Committee with the Human Resources & Labor Relations Committee
- March 6, 2017 – Academic & Student Affairs Committee
- March 8, 2017 – Executive Committee
- March 13, 2017 – Finance/Facilities/Technology Committee
- March 21, 2017 – Human Resources and Labor Relations Committee

COMMITTEE REPORTS

Academic & Student Affairs Committee. Trustee Johnson reported that the Committee met on March 6, 2017. The Committee received updates on the new initiatives related to Academic Transformation and the Spring 2017 Enrollment Report. The Committee agreed to forward to the Consent Agenda for the March Board meeting a new program proposal for a MA in Anthropology and Environmental Policy at UM. The Faculty Representatives reported their duties and obligations document still needs approval by a couple of the faculty assemblies. The Student Representatives reported that they have been working on the results of the student survey to prepare for Vice Chancellor Neely's campus visits.

The Committee met with the Human Resources and Labor Relations Committee on March 6, 2017 to review the nominations for tenure for 2017. The Academic & Student Affairs Committee approved the 2017 nominations for Tenure and agreed to forward the recommendations to the Board for approval at the March Board meeting. The Committee also discussed the changes to Board of Trustees Policy 402 and suggested additional clarification relating to training prior to adoption of Policy 402. The Committee discussed highlights from the 2017 Tenure Report.

Executive Committee. Trustee Collins reported that the Committee met on March 8, 2017 to review the proposed revisions to Board of Trustee Policy 212 and authorized, on behalf of the Board of Trustees, the Board Chair to sign Articles of Incorporation to establish Maine Center Ventures as a Maine non-profit corporation governed by the UMS Board of Trustees.

Finance/Facilities/Technology Committee. Trustee Fournier reported that the Committee met on March 13, 2017. The Committee reviewed the FY2018 proposed UMS Operating Budget and each campus presented their proposed FY2018 budgets. The budgets focused on the Board of Trustees' strategic priorities which include: increase enrollment, improve student success and completion, enhance the fiscal positioning of UMS, and support Maine through research and economic development.

The Committee also met on March 23, 2017 and agreed to forward to the Consent Agenda for the March Board meeting the following items: the Master Plan Acceptance for UMF, the Barrows Hall STEM Renovations at UM, the Memorial Union Bear's Den Renovations at UM and the Glickman Roof Tower Lease at USM. The Committee review the Information Technology Projects with a value of \$250,000 or greater and the Capital Projects Status Report. The Committee discussed the Building Access Project Approval at USM/UMS and because this project was within the purview of the Committee, the Committee approved the project. Ms. Emily Morris from Sightlines provided the annual Return on Physical Asset (ROPA+) findings regarding the University of Maine System's facilities and facility management operations.

Human Resources & Labor Relations Committee. Trustee Erwin reported that the Committee met on March 6, 2017 and received an update on the Human Resources Wellness Initiatives. The Committee went into executive session to discuss collective bargaining.

The Committee also met on March 21, 2017 and went directly into an executive session to discuss personnel issues.

Investment Committee. Trustee Turner reported that the Committee met on March 9, 2017. The Committee did not have a quorum; therefore, the Committee discussed the following items and

agreed to forward them to the March Board meeting for approval: FY2018 Endowment Distribution Rate per Share, the Investment Committee Duties and Responsibilities revisions, the Asset Allocation Study and Recommendations and the Defined Contribution Plan Share Class Change. The Committee received an update on investment performance and a summary of MSCI's Environmental, Social, and Governance (ESG) Report.

DISCUSSION ITEM.

UMA Signature Programs. Mr. Thomas E. Abbott, Unmanned Aircraft Systems Project Manager, provided an overview of the UMA's UAV initiative and the UMA's Aviation program.

BOT/BOV MEETING. The UMA Board of Visitors (BOV) met with the members of the Board of Trustees. The following members of the UMA BOV were present: Jan Mokros, Matt Pouliot, Rocko Graziano, Craig Larrabee, Peter Guzzetti, Wick Johnson, Craig Hickman, Peter Thompson and Andrew Silsby.

DRONE DEMONSTRATION. UMA staff provided a demonstration of their large and small drones.

Monday, March 27, 2017

Trustee Collins, Chair, called the meeting order. Trustee Collins thanked UMA for hosting the Board meeting and welcomed Ms. Jan Mokros, Chair of the UMA Board of Visitors, for joining the Trustees at the Board table. Trustee Collins stated that today is Ms. Tracy Bigney's hire date anniversary and congratulated her on her 43 years of service with the University of Maine System.

CITIZEN COMMENT

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

- Cassie Carol - Divestment
- Julia Everett - Divestment
- Emily Craig - Divestment

CHAIR'S REPORT

Establishment of the Trustee Nominating Committee. Trustee Collins explained that the Board of Trustees annually in May approves officers to serve one-year terms. The Chair of the Board shall appoint three Trustees to the Committee; one shall be designated as Chair. Per Bylaw Section 3.2, the Board is not required to approve the appointment of members to the Committee for the Nomination of Officers. The Committee for Nomination of Officers shall nominate, from members of the Board, a Chair and Vice Chair. Trustee Collins has appointed the following Trustees as members of the Trustee Nominating Committee: Norman Fournier, Chair; Michelle Hood, and Mark Gardner.

Resolution for Kevin McCarthy.

On a motion by Trustee Johnson, which was seconded by Trustee Turner, the Board of Trustees approved the following resolution for Kevin McCarthy:

Whereas, Mr. Kevin P. McCarthy was appointed as a member of the University of Maine System Board of Trustees effective April 7, 2009;

Whereas, Mr. McCarthy served on the Executive Committee, Audit Committee, and Finance/Facilities Committee;

Whereas, Mr. McCarthy served on and chaired the Technology Committee;

Whereas, Mr. McCarthy represented the University of Maine System Board of Trustees as a member of the Maine Public Broadcasting Corporation Board;

Whereas, Mr. McCarthy served on the Strategic Imperatives Committee;

Whereas, Mr. McCarthy shared his business acumen and strategic vision to encourage the University of Maine System to take bold steps to establish clear strategic directions to better serve the State of Maine; and

Whereas, effective March 1, 2017 Mr. McCarthy has completed his 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 Mr. Kevin McCarthy for his outstanding contributions to the quality of higher education in Maine.

Approved on the 27th day of March 2017, by the 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.

CHANCELLOR'S REPORT.

Brochure from Sappi. Chancellor Page explained that the brochure provided to the Trustees is complements of Trustee Mark Gardner. Additional copies will be distributed to those who did not receive the brochure. The materials outline the state of higher education and Trustee Gardner felt the brochure would be beneficial for the Trustees.

Legislative Update. Chancellor Page and Ms. Samantha Warren, Director of Community and Government Relations, provided an update of legislative issues. The supplemental budget passed and the UMS was successful in most of the requests. In the biennial budget, the UMS has asked the Legislators for support for additional funding for Early College, a substantial investment in our facilities, and second review of our E&G funding level. It is too early to begin discussions relating to the Bonds but more information will be available at the May Board meeting.

Ms. Warren explained that one of the higher education bills of most interest to the Trustees is the Unified Board Bill, which has been before the Legislature four times. This bill seeks to combine the UMS, Maine Community College System and Maine Maritime Academy boards into one group. The UMS is very optimistic the bill will not move forward. The UMS has been working with the sponsor to see if his intent, which is not to join the three Boards but to encourage collaboration, can be met in other ways. After the Chancellor's State of the University address, Chancellor Page and Trustee Collins joined their counterparts from the other Boards in presenting a Higher Education Coordinating Committee report. The Education Committee was very impressed with the extent of the meaningful collaboration occurring at various levels. We hope the Education Committee will be amenable to continuing the collaboration efforts on a voluntary, pro-active basis. The UMS is

working with the bill sponsor to amend his legislation on the Unified Board Bill so that the Higher Education Coordinating Committee will meet three times a year rather than two time per year to reinforce that collaborative efforts are continuing.

The UMS has not taken a position on the Campus Carry bill because the bill language has not been made public. The UMS will engage the campus police with this bill.

Trustee Moody encouraged the confirmation of the Commissioner of Education and stated his/her active participation as a member of the Board of Trustees is critical to providing the conduit for the K-12 perspective.

Federal Budget. Chancellor Page stated that the UMS has been studying the proposed federal budget to clarify how it will affect higher education, which could be significant. He has asked the campuses and System departments to quantify how the budget will impact the campuses and students. This will be a major topic of discussion for the April Presidents' Council.

Research Reinvestment Fund Annual Report on Activities – March 2017. Chancellor Page stated that the Research Reinvestment Fund Annual Report on Activities was included in the Board meeting materials. This was part of a five-year commitment to tie R&D to Maine businesses and industries. The Chancellor approved the funds for FY2018 and thanked the staff for their efforts.

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. The Board of Trustees' primary priority outcomes include: increase enrollment, improve student success and completion, enhance fiscal positioning, and support Maine through research and economic development. Two secondary outcomes were also identified: relevant academic programming and university workforce engagement. The current level of resources available is \$4,825,000 per year for FY2018 and FY2019.

The proposed investment priorities with current resources include:

- Early College expansion/NACEP Standards, \$1.5 million per year
- Research Reinvestment Fund, \$2.1 million per year
- Academic Transformation Incentive Fund, \$500 thousand per year
- Institutional Research & Reporting, \$700 thousand per year
 - Associate Vice Chancellor for Academic Affairs, Institutional Research & Reporting
 - Data Warehouse Update \$300 thousand from reserves

The proposed investment priorities dependent on additional funding include:

- Academic Transformation Incentive Fund, additional \$350 thousand per year for a total of \$850 thousand per year
- Enrollment Management, \$400 thousand per year
- EAB Early Warning Tool, \$183 thousand for FY2018 & \$115 thousand for FY2019
- Market Research, \$150 thousand per year
- Advising & Developmental Support, \$130 thousand per year

Vice Chancellor Wyke outlined the accountability metrics for each of the priority outcomes and explained the list of tasks that are in progress. The next steps include working on the list of tasks in progress, conducting the campus community survey in mid-April, finalizing the recommendations for

investments, finalizing the metrics and developing baselines, and delivering the detailed integrated implementation plan by July.

The Board engaged in a discussion on the priority and secondary outcomes accountability metrics as well as other areas of focus. One common theme resulting from the campus visits was investment in career planning.

ACADEMIC AFFAIRS' UPDATE

Spring 2017 Enrollment Update. Ms. Rosa Redonnett, Chief Student Affairs Officer, provided a brief overview of the Spring 2017 Enrollment. The Spring 2017 Enrollment Report is historically run after our census date of February 15. Highlights from the report are below:

- Headcount and FTE declined by 0.1%, and credit hours declined by 0.2%. Associate degree credit hours were the predominant factor (-17.9%).
- Non-degree undergraduate FTE increased by 8.6% and non-degree graduate FTE increased by 15.2%.
- All campuses with exception of UMA and UMM had an increased credit hours. UMA fell by 12% and UMM by 3.1%.
- UM, UMFK, UMM, UMPI and USM all increased out-of-state; UMF, UMFK and UMPI increased in-state headcount (but only UMPI increased in credit hours).
- In-state credit hour enrollment decreased by 1.7% and out-of-state increased by 10.3% (UM 11.1%, UMFK 17.3%, UMPI 25%, USM 16.4%).
- There is an increase in graduate matriculated headcount by 3.9%, although credit hours declined slightly by 0.5%.
- UMA showed the most significant decline in credit hours; this decline is larger than the total increase at the other campuses save UMM (UMA -4436 credit hours, UMM -216 credit hours, and an increase by 4075 credit hours for all others).
- The 1.9% increase in part-time headcount is connected to an increase in non-degree undergraduate and graduate headcount. The growth in non-degree undergraduate headcount is partially due to the increase in Early College.
- Early College enrollment would be much smaller in the spring semester (Bridge year enrollment all appears within fall enrollment).
- Early College headcount for Spring 2017 is 1,226 which is 5.3% of total UMS undergraduate headcount an increase of 18% from Spring 2016 and 130% from Spring 2013.
- Early College credit hours totaled 4807 (1.8% of total undergraduate credit hours), a 19.5% increase over Spring 2016 (and a 145% increase over Spring 2013).
- Out-of-state headcount increased 10.3% which includes the following states: Massachusetts, New Hampshire, Connecticut, and New York and internationally: Canada, China, Saudi Arabia, India, and the Marshall Islands.
- The largest percent of students in Maine come from Cumberland, Penobscot, Kennebec, and Aroostook counties.
- Student under 18 represent 3.5% of the total headcount, which is an increase of 30.8% and students over 24 represent 35.6% of total headcount.
- Minority enrollment increased by 5.7% led by an 11.3% increase in students who identified as Hispanic/Latino.
- Transfers decreased by 4.6% and transfers from the Maine Community College System increased by 5.6%.
- On-line credit hours increased by 3.7% and accounted for 20.3% of total credit hours.

Early College Planning. Ms. Redonnett provided an overview of the Early College Planning. The subcommittee of key UMS leaders will provide recommendations to the Chief Academic Officers in May 2017 for the 2017-2018 academic year implementation. The primary tasks include:

- Recommendations to meet NACEP Standards (focus on dual enrollment)
- Recommendations for expansion of Early College across the state
- Identification and implementation of best practices
 - Financial (tuition and fees),
 - Student services and support (coordination, registration, policies, web site development, etc.),
 - Academic (NACEP standards, reporting relationships, professional development, etc.),
 - Institutional research and data management,
 - Marketing and recruitment,
 - Planning/Budget/Funding – short- and long-term
- Recommendations for the use of the State Appropriation to support and accomplish these tasks

Nursing Summit. Ms. Redonnett explained that on February 14, 2017, there was a press conference including the following individuals: DHHS Commissioner Mary Mayhew, State Senator Amy Volk, State Representative Anne Perry, Lisa Harvey-McPherson from EMHS, and Robert Neely from the UMS. The purpose of the press conference was to announce the joint work between the UMS and the Governor's office to focus on the following issues:

- Host a Maine Nursing Summit of providers, elected officials, policy makers, philanthropic organizations and higher education leaders (June as tentative timing)
- Consider and recommend actions needed to build the capacity to train an adequate supply of nurses to serve the healthcare needs of Maine

The organizing committee will meet on April 3, 2017.

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 \$281 million, returned 1.8% for the month of January and 5.0% 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 \$32 million, saw a return for the month of January of 0.9% and 2.5% for fiscal year to date.

Operating Fund. Operating Funds, with a market value of \$308 million, returned 0.6% for the month of January and 1.8% for fiscal year to date.

FY2017 E&G and Auxiliary Forecast. Mr. Low explained that the current forecast, net of reserve transfers, reflects positive results of \$4.8 million or a \$4.1 million increase above budget. The major factors impacting FY2017 forecast are:

- Unrestricted investment income is budgeted at \$3.2 million; the current return on unrestricted investments is \$6.0 million and results in a positive budget-to-actual variance of \$2.8 million.
- USM's utilization of Budget Stabilization Funds is projected to decrease by \$689 thousand.
- Total credit hours at UMA are 9,464 (10.7%) below budget resulting in the projected deficit of \$1.1 million.
- The Maine Law School is projecting a deficit of \$1.4 million, which will be offset by transfers from USM & Maine Law School reserves as well as \$311 thousand from Budget Stabilization Funds. Excluding the Maine Law School, USM is projecting positive operating results of \$500 thousand.

Implementation of the Unified Budget Recommendations. Mr. Low provided an update on the implementation of the Unified Budget. Mr. Low shared the accomplishments of the implementation teams and the next steps.

DISCUSSION ITEM

Sightlines Annual State of Facilities Report, UMS. Mr. Chip Gavin, Chief Facilities Management and General Services Officer, introduced Mr. Jon King and Mr. Dan Scott from Sightlines, who presented the annual Return on Physical Asset (ROPA+) findings regarding the University of Maine System's facilities and facility management operations. Overall, the Sightlines data continues to reflect a challenging situation in which the University's renovation age, density and other metrics generally have declined.

To meet the minimum target investment recommended by Sightlines and to slow or stop the deterioration, the System-wide facility capital investment would need to be approximately \$35 million annually. To improve net asset value to 63 percent or better, the target adopted by Trustees, the investment would need to be approximately \$80 million annually on a sustained basis. Historically, the University has invested approximately \$20-\$25 million, which is not enough to prevent year-over-year decline.

ACTION ITEMS

FY2018 Endowment Distribution Rate per Share. The endowment distribution rate was presented to the Investment Committee at its March 9, 2017 meeting. Members present reviewed and supported the recommended direction but, lacking a quorum, the Committee is forwarding this item to the Board of Trustees for approval.

Distribution Rate Philosophy: The UMS endowment distribution formula is designed to smooth the impact of volatile investment returns as campus budgets depend on these endowment revenue streams to fund scholarships and other endowed spending.

Distribution Rate Calculation: The distribution formula uses a 3-year endowment pool market value average to which a percentage-spending rate is applied. The resulting distribution amount is then divided by the total number of shares in the endowment pool to arrive at the distribution rate per share. The UMS Accounting Department uses the approved rate per share in the monthly allocation process whereby each endowment receives a distribution based on the respective number of shares held.

Underwater Endowments: For the purpose of determining the underwater status of endowments, the Accounting Department compares each endowment's market value with its initial investment value. To allow underwater endowments to regain market value, UMS does not distribute funds for underwater endowments during the following fiscal year.

Fiscal Year 2018 (FY2018) Proposed Distribution Rate:

Consistent with prior years, an endowment-spending rate of 4.5% is being used to calculate the rate per share. A 4.5% spending rate (which includes a management fee, where charged) equates to a rate per share of \$15.13366. Using this rate, an estimated \$5.3 million will be distributed including \$4.2 million for endowed spending and \$1.1 million for management costs in FY2018.

On a motion by Trustee Fournier, which was seconded by Trustee Turner, the Board of Trustees approved an endowment distribution rate of \$15.13366 per share for FY2018.

Asset Allocation Study and Recommendations.

At the March 9, 2017 Investment Committee meeting, NEPC provided an overview of their 2017 capital market observations, including investment opportunities. Committee members present supported the recommended portfolio allocations with a modification that the portfolio holdings of EntrustPermal (credit hedge fund) be eliminated in the Operating Fund and reduced in the Managed Investment Pool and Pension Fund. Lacking a quorum, the Committee is forwarding this item to the Board of Trustees agenda for approval.

On a motion by Trustee Fournier, which was seconded by Trustee Turner, the Board of Trustees approved the following asset allocation recommendations for the Managed Investment Pool (MIP), Pension Fund and Operating Fund.

Managed Investment Pool (MIP):

- Allocate 5% to International Equity Small Cap (new mandate) from International Equity
- Reduce core bonds from 10% to 5% and allocate 5% to TIPS
- Allocate 5% to Bank Loans (new mandate) from Global Multi-Sector Fixed Income
- Reduce Credit Hedge Funds from 6% to 3% and allocate to Global Asset Allocation

Pension Fund

- Reduce core bonds from 27% to 20% and allocate 7% to TIPS (new mandate)
- Allocate 5% to Bank Loans (new mandate) from Global Multi-Sector Fixed Income
- Reduce Credit Hedge Funds from 5% to 2.5% and allocate 2.5% to Global Asset Allocation

Operating Cash Fund

- Reduce core bonds from 10% to 5% and allocate 5% to TIPS (new mandate)
- Eliminate 4% investment in Credit Hedge Funds and allocate 1% to Long/Short Hedge Funds and 3% to Global Asset Allocation

Defined Contribution Plan Share Class Change. CAPTRUST Financial Advisors provided an overview of recent share class changes to the Investment Committee at its March 9, 2017 meeting. The Committee supported moving to the lower fee share class as recommended. Lacking a quorum, the Committee is forwarding this item to the Board of Trustees for approval.

On a motion by Trustee Fournier, which was seconded by Trustee Turner, the Board of Trustees approved:

Replacing Old Share Class

Oppenheimer Intl Growth Y
Goldman Sachs Growth Opp I
RidgeWorth Ceredex Mid-Cap Value Eq I
Harbor Capital App Institutional
JHancock Disciplined Value R5

Adding New Share Class

Oppenheimer Intl Growth I
Goldman Sachs Growth Opportunities R6
RidgeWorth Ceredex Mid-Cap Value Eq IS
Harbor Capital Appreciation Retirement
JHancock Disciplined Value R6

Investment Committee Duties and Responsibilities Revised. Investment Committee Chair Trustee Turner worked with staff to review and update the Investment Committee Duties and Responsibilities. Proposed changes include clarifying the Committee's authority to act without referring items to the Board of Trustees. In addition, language was added to allow Committee members to provide direction to staff, with subsequent formal action to be taken by the Committee or the Board, when a quorum of the Committee is not present.

The Investment Committee reviewed the updated document at its March 9, 2017 meeting and is forwarding it to the Board of Trustees for approval.

On a motion by Trustee Fournier, which was seconded by Trustee Turner, the Board of Trustees approved the Investment Committee Duties and Responsibilities, as presented.

Approval of the Board Meeting Calendar for 2017-2018 & 2018-2019. Trustee Collins explained that in accordance with the University System's Charter and the Board's By-laws, the proposed calendar is submitted for approval. In order to allow as much flexibility as possible in planning schedules, the proposed calendar has been developed on a 2-year cycle.

2017-2018

July 17, 2017 - hosted by UMS @ UM
September 17-18, 2017 @ UMF
October 22-23, 2017 – BOT Retreat
November 3, 2017 – BOT/BOV Summit
November 19-20, 2017 @ UM
January 28-29, 2018 - hosted by UMS @ UM
March 18-19, 2018 @ USM
May 20-21, 2018 @ UMFK
June 4, 2018 – BOT/BOV Summit

2018-2019 (proposed)

July 16, 2018 - hosted by UMS @ UM
September 16-17, 2018 @ UMPI
October 21-22, 2018 – BOT Retreat
November 5, 2018 – BOT/BOV Summit
November 18-19, 2018 @ TBA
January 27-28, 2019 @ UM
March 24-25, 2019 @ UMM
May 19-20, 2019 @ UMA
June 3, 2019 – BOT/BOV Summit

The Board of Trustees Office in consultation with the Chancellor and the Board Chair can modify the Board calendar as necessary to accommodate the needs of the Board. Trustee Collins stated that the Board is asked to approve the calendar dates but the meeting locations may change.

On a motion by Trustee Turner, which was seconded by Trustee Fournier, the Board of Trustees approved the Board of Trustees meeting calendar dates for 2017-2018 and 2018-2019, as presented.

Confirmation of Student Representative to the Board of Trustees. UMM Interim President Huseman recommended the following nomination as the Student Representative to the Board of Trustees from UMM:

Student Representative:

Austin Cyr, UMM – March 2017 to May 2019

On a motion by Trustee Hood, which was seconded by Trustee Sutton, the Board of Trustees approved the appointment of the following Student Representative to the Board of Trustees: Austin Cyr, UMM – March 2017 to May 2019.

Approval of the UMM/UM Primary Partnership Plan. Mr. James Thelen, General Counsel and Chief of Staff, UM President Susan Hunter and UMM Interim President Sue Huseman provided an overview of the Primary Partnership Plan. Mr. Sam Borer, UM Student Representative to the Board of Trustees, spoke about the student perspective of the partnership.

UMS Board of Trustees Policy 309 recognizes that, in order to continue effectively and efficiently to meet its mission and carry out its daily operations, reorganization of a System university or one of its major units may be undertaken following Chancellor review and Board of Trustees approval.

In April 2016, following years of declining enrollment, challenging demographics in the region it serves, and the resulting financial constraints at the University of Maine at Machias, the University of Maine System (UMS), the University of Maine (UM), and the University of Maine at Machias (UMM) announced a Primary Partnership between UM and UMM with stated goals of UMM enrollment growth, increased efficiencies between the institutions, additional program and research opportunities for UM, and opportunities for UMM to achieve sustainable scale and stability, with the resources to realize its strategic vision, and inviting increased investment in the campus and region.

In the following months three teams were established to make recommendations regarding the Primary Partnership. The teams looked at Administrative, Academic, and Structure and Governance issues. The teams included representatives from UM and UMM, their Boards of Visitors, and the Chancellor's office. The teams made progress reports to both the Board of Trustees and the NEASC Commission on Institutions of Higher Education, which is each institution's accrediting body.

In January 2017 the Structure and Governance team, led by UM President Hunter, and UMM Interim President Huseman, reported recommendations to the Chancellor that were presented to the UMS Board of Trustees that UMM become a regional campus of UM effective July 1, 2017, with a site-based campus head who would report to the UM President thereafter.

Since the January 30, 2017 primary partnership recommendations to the UMS Board of Trustees, the UMS Chancellor's office and UM have sought input from UM and UMM students, faculty, staff, and community stakeholders on the recommendations and the best ways to implement them.

On a motion by Trustee Fournier, which was seconded by Trustee Johnson, the Board of Trustees approved the following resolution:

Pursuant to UMS Board of Trustees Policy 309, and acting as well in furtherance of its responsibility under its Charter and Board of Trustees Policy 708 to ensure that the System uses its resources in a responsible way and maintains its financial well-being, the Board approves and directs the following to be effective July 1, 2017 unless otherwise noted:

1. **Regional Campus.** The University of Maine at Machias (UMM) will be a regional campus of the University of Maine (UM), led by an Executive Dean/Chief Academic and Operations Officer (CAOO) as campus head who will report to the UM President and serve on the UM President's cabinet, as well as participate in the UM Provost's Council and UM Deans' Council. The UMM President's office will not be maintained after June 30, 2017.
2. UMM retains its name, location, mission, and degree-granting authority.
3. **Campus Head.** As campus head, the UMM Executive Dean/CAOO will be the UMM campus's chief administrative and educational officer, responsible for the day-to-day operation and development of its academic programs within the limits defined in this resolution by the Board of Trustees, to be managed in coordination with UM's President, Executive Vice President for Academic Affairs and Provost, and Chief Business Officer.
4. **Organizational structure.** The general organizational reporting structure shall be as follows, with further specific subordinate relationships and reporting within the general structure to be determined locally between UMM's Executive Dean/CAOO and UM's President:
 - a. Subject to Board policy and applicable collective bargaining agreement(s), UMM faculty will report to the UMM Executive Dean/CAOO and develop their own promotion and tenure criteria, UMM faculty will be hired through the normal UMM hiring procedures, and the UM President will have final university-level authority on UMM faculty hiring, promotion, and tenure recommendations.
 - b. The UMM Executive Dean/CAOO, in coordination with UM's Executive Vice President for Academic Affairs and Provost, will be responsible for strategic planning of UMM's academic programs and oversee UMM's coordination with UM's academic programs.
 - c. The UM Vice President for Enrollment Management, who reports to the UM Vice President for Academic Affairs and Provost, will have overall responsibility for UMM enrollment management. The UMM Executive Dean/CAOO will oversee local enrollment management administration, admissions, and financial aid in coordination with UM.
 - d. The UM Chief Business Officer will be responsible for UMM finance and administration.
 - e. The UMM Dean of Students will report to the UM Vice President for Student Life and Dean of Students (VPSL) and will be responsible for day-to-day operation and oversight of UMM student affairs and extracurricular activities. UMM Fitness and Athletics will report through the UMM Dean of Students to the UM VPSL and/or his/her designee.
 - f. UMM Public Relations will report to UM's Director of Marketing and Communications.

- g. UM ORSP (Office of Research and Sponsored Programs) will provide oversight and support to research and sponsored programs at UMM.
5. Accreditation. A desired outcome of the Primary Partnership is that UMM maintain its NEASC accreditation through UM, as a regional campus of UM, while maintaining a separate OPEID/IPEDS reporting relationship and Program Participation Agreement with the U.S. Department of Education as well as continuing to exercise its own grant-seeking authority. In accord with UMS Board of Trustees Policy 308, appropriate representatives from UM, UMM, and the System are directed to seek accreditation review and approval through a Substantive Change request for UMM as a regional campus of UM to maintain, to the extent possible, UMM's separate OPEID/IPEDS reporting relationship and Program Participation Agreement with the U.S. Department of Education for UMM's local financial aid administration as noted above.
6. Board of Visitors. Given UMM's unique coastal mission and status as a regional anchor institution, as well as its continued degree-granting authority, the UMM Board of Visitors will be maintained. However, recognizing overall UM governance in the primary partnership, as well as the important goal of integrating UMM, with its coastal mission, within the larger UM flagship/land and sea grant mission, the UM President will hereafter recommend to the Board of Trustees new UMM BOV members on the recommendation of the UMM Executive Dean/CAOO. Additionally, the UM President should review options for joint or shared appointments between the UM and UMM Boards of Visitors, joint meetings of the two Boards of Visitors, and other interactions that will advance the collaborative goals of the primary partnership. The UM President will report recommendations regarding structure and/or process for the Boards of Visitors to the Chancellor in sufficient time to be presented to the Board of Trustees at its July 2017 meeting for consideration for further Board of Trustees action.
7. Faculty and Student Representatives to the Board of Trustees. UMS Board of Trustees Policy 205 provides for each of the System's universities to have faculty and student representatives to the Board of Trustees. The UM President and UMM campus leadership will review how the interests served by the UMM student and faculty Board representatives may be met from July 1, 2017 forward, considering the goals of the primary partnership, and report recommendations to the Chancellor in sufficient time to be presented to the Board of Trustees at its July 2017 meeting for consideration for further Board of Trustees action.
8. Budgeting and Financial Administration. UMM will be accounted for and reported as an operating unit of UM, with its E&G and Auxiliary budgets prepared and administered separately from UM's through FY2019, subject to further review of the Board, including through the Board's Finance/Facilities/Technology Committee.
9. UMS Policy Review and Accountability. The Chancellor and UMS General Counsel will review and report back to the Board of Trustees at its July 2017 meeting regarding whether the implementation of this resolution requires or should result in any changes to the UMS Charter or Board of Trustees policies. The Chancellor and/or his designee(s), along with appropriate representatives from both UM and UMM, should develop and recommend to the Board of Trustees by its September 2017 meeting key performance indicators (KPIs) and other appropriate accountability measures to assess the on-going performance and outcomes of the primary partnership implementation between UM and UMM.

Proposed Revisions to Board of Trustees Policy 212. Chancellor Page and General Counsel Thelen explained the proposed revisions to Board of Trustees Policy 212. At the UMS Board of Trustees meeting in Machias in November 2016, the Board's Student Representatives asked the Board to make a statement affirming the University's commitment to civility. This is a timely issue as many universities nationally have been and are facing questions about campus climate and civility. In August 2016, the Association of Governing Boards (AGB) Board of Directors issued a statement on Governing Board Accountability for Campus Climate, Inclusion and Civility. The AGB statement may be found at <http://agb.org/statements/2016-08/statement-campus-climate-inclusion-civility>.

At its December 6, 2016 meeting, the Board's Executive Committee discussed its ongoing commitment to Board Policies 212 (Free Speech and Assembly) and 414 (Campus Violence). The Chair charged an ad hoc committee, chaired by Chancellor James Page, to review Board and System policies on free speech and expression, campus climate, and political impartiality however, to determine whether changes should be considered to better express the Board's commitments and System policy in these areas. Trustees James Erwin and Gregory Johnson and USM President Glenn Cummings offered to serve on the committee, and Chancellor Page later added UMM Interim President Sue Huseman and Chief of Staff and General Counsel James Thelen to work on the committee as well.

The Committee determined to divide its work into two primary issues – one regarding free speech and expression and the other regarding political impartiality.

On free speech and expression, following review of several Board and System policies, as well as the AFUM contract, the Committee determined that the Board's commitment to free speech and expression, as well as free inquiry and academic freedom, could be better expressed in a revised and expanded Board Policy 212. The Committee's proposed revised Policy 212 was reviewed with System Presidents and verbally described for the Board's Student Representatives at their meeting with System Staff in advance of the Board's January 29-30, 2017 meeting in Portland.

The Committee's proposed revised Board Policy 212 was reviewed by the Executive Committee on March 8, 2017. The proposed revised Policy is now before the Board of Trustees for approval.

On a motion by Trustee Erwin, which was seconded by Trustee Sutton, the Board of Trustees approved the proposed revisions to Board Policy 212, Free Speech, Academic Freedom and Civility, as presented with a clarifying correction by General Counsel.

CONSENT AGENDA

On a motion by Trustee Johnson, which was seconded by Trustee Hood, 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 Academic & Student Affairs Committee to the Consent Agenda from its meeting on March 6, 2017:

New Program Proposal: MA in Anthropology and Environmental Policy, UM. The Board of Trustees authorized the creation of the Non-thesis Master of the Arts Degree in Anthropology and Environmental Policy for the University of Maine.

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 March 23, 2017:

Master Plan Acceptance, UMF. The Board of Trustees acknowledged the campus master plan from UMF and, without granting Trustee approval for any specific expenditure or capital project that would otherwise require Trustee consideration, accepted the plan and encouraged the University to continue its efforts to maintain and act in accordance with the plan as well as other applicable directives of the Trustees.

Barrows Hall STEM Renovations, UM. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee to expend up to \$1.9 million from campus funds to renovate space in Barrows Hall and create two new Chemistry research laboratories.

Memorial Union Bear's Den Renovations, UM. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee to expend up to \$3,600,000 from campus Auxiliary reserves to renovate the Bear's Den in the Memorial Union.

Glickman Roof Tower Lease, USM. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee to lease space on the rooftop at the Glickman Family Library located at 314 Forest Ave. on the Portland Campus to Bell Atlantic Mobile Systems of Allentown, Inc., d/b/a Verizon Wireless for an initial period of up to five years with as many as four additional periods of up to five years each. The final terms, including rate, associated costs and other terms, shall be negotiated by the University of Southern Maine in the best economic interest of the University, subject to review and approval by the University of Maine System Treasurer and General Counsel.

INFORMATION ITEMS

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

- Tenure Report
- Management Group Appointments Report
- Capital Projects Status Report
- Agenda Calendar

EXECUTIVE SESSION

On a motion by Trustee Turner, which was seconded by Trustee Fournier, 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-D to discuss planning for negotiations and communications with AFUM, UMPA, 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 Donnelly, which was seconded by Trustee Johnson, the Board of Trustees concluded the Executive Session.

Tenure Nominations for 2017. On a motion by Trustee Turner, which was seconded by Trustee Hood, the Board of Trustees approved the recommendations for tenure submitted by the universities of the University of Maine System. Approvals will take effect September 1, 2017 for faculty with academic-year appointments and July 1, 2017 for faculty with fiscal-year appointments.

DATE OF NEXT MEETING

The next meeting of the Board of Trustees will be held on May 21 & 22, 2017 at the University of Maine at Presque Isle.

Adjournment

Ellen Doughty for
Tracy B. Bigney, Clerk