

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

at the University of Maine at Augusta
November 15-16, 2015

Board of Trustees Meeting

Present: Samuel Collins, Chair; Gregory Johnson, Vice Chair; William Beardsley, James Donnelly, James Erwin, Norman Fournier, Michelle Hood, Marjorie Medd, Shawn Moody, Paul Nelson, and Karl Turner. **Chancellor:** James Page. **Faculty Representatives:** Ray Albert, Uriah Anderson, Roxie Black, Terry Colby, Cathleen McAnneny, and Pattie Miles. **Student Representatives:** Brad O'Brien, Elizabeth Day, Conner Scott, Kimberley Miner, Jay Knowlton, Dominic DeLuca, Sarah Connelly and Jay Knowlton. **University Presidents:** Glenn Cummings, Stuart Swain, Kathryn Foster, John Murphy, Susan Hunter, Linda Schott and Rebecca Wyke. **System Staff:** Tracy Bigney, Lynda Dec, Dan Demeritt, Tracy Elliott, Chip Gavin, Cynthia Huggins, Ryan Low, Rosa Redonnett, Mark Schmelz, David Stevens, James Thelen, Vendean Vafiades, and Richard Thompson.

Absent: Kurt Adams, Mark Gardner, Kevin McCarthy and Bonnie Newsom.

Sunday, November 15, 2015

Trustee Collins, Chair, called the meeting to order

ACCEPTANCE OF MINUTES

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

September 11, 2015 – Human Resources & Labor Relations Committee Meeting
September 17, 2015 – Finance/Facilities/Technology Committee Meeting
September 20, 2015 – Academic & Student Affairs Committee Meeting
September 20-21, 2015 – Board of Trustees Meeting
September 21, 2015 – Finance/Facilities/Technology Committee Meeting
October 8, 2015 – Investment Committee Meeting

ACTION ITEM

Confirmation of Faculty Representative to the Board of Trustees. USM President Glenn Cummings explained that the following nomination is being recommended:

Faculty Representative:

Roxie Black, USM – 2 year term – Sept. 2015- May 2017

On a motion by Trustee Nelson, which was seconded by Trustee Medd, the Board of Trustees approved the appointment of the following Faculty Representative to the Board of Trustees: Roxie Black, USM Faculty Representative for a 2 year term – Sept. 2015 to May 2017.

DISCUSSION TOPIC

University College Presentation. Dr. Rebecca Wyke, UMA Interim President, introduced Ms. Bonnie Sparks, Executive Director of University College, and explained that University College (UC) is an administrative unit of UMA executing a System-wide mission to provide access to UMS degree and certificate programs, online and at-a-distance, via a distribution network of eight off-

campus centers serving Maine's rural and under-served communities. As VAD's (value-added distributors), UC Centers advise students as they navigate the college going experience; helping to select the right courses, guiding their progress, and supporting their success.

Conjointly, UC adds value to UMS online and distance degree programs by providing instructional design, media, marketing, off-campus library, and central logistical services, to support the teaching and learning experience of faculty and students participating in UMS campus online and distance programs. The following individuals assisted Ms. Sparks with the presentation:

Robert (BJ) Kitchin, Jr., Senior E-Learning Specialist, University College
Araminta (Mina) Matthews, Senior Instructional Designer, University College
Deborah Meehan, Director, University College at Rockland
Dennis Unger, Director, University College at Brunswick

BOT/BOV Meeting. Several members of the UMA Board of Visitors joined the Board meeting to discuss their strategic initiatives. The UMA BOV members present for the meeting were: Janet Parkhurst, Chair; Peter Guzzetti, Peter Thompson, Stacey Morrison, Rocko Graziano and Shawn Yardley.

Monday, November 16, 2015

Trustee Collins, Chair, reconvened the meeting.

CITIZEN COMMENT

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

Nathaniel Allen-Rahill – Divestment
Cassandra Carroll – Divestment
Julia Everett – Divestment
Gwen Walsh – Divestment
Emily Craig - Divestment
Erin Nolan – Divestment
Jayson Peltier – Divestment
Stephen Casey – Veteran Outreach
Ron Mosley – Unified Online
Gary Crocker – UMA
Trey Stewart – Unified Academic Calendar

COMMITTEE REPORTS

Finance/Facilities/Technology Committee. Trustee Fournier reported that the Committee met on November 5, 2015. The Committee approved the following items to be forwarded to the Consent Agenda: Footprint Reduction Authorization at UMM, Lease Authorization at UMF, Lease Authorization for UMPI, Lease Authorization for USM, Amendment to Board of Trustees Policy 711 – Named Chairs and Professorships. The Committee approved the State of IT 2015 Report to the Board for action at the November Board meeting. The Committee received an update on the status of information technology projects over \$250,000; a financial update, an overview of the Transfer of

Unrestricted Net Position at UM; review of Capital Project Status Report; and a briefing on the FY2015 Annual Report of Gifts, Fund Raising and Endowments.

Academic & Student Affairs Committee. Trustee Johnson reported that the Committee met on November 9 and 15, 2015. The Committee did not have a quorum for their meeting on November 9. The following agenda items were discussed: Awarding of Academic Degrees, Creation of a New Major Unit at USM: International Early College High School, Common Academic Calendar for 2017-2018, Fall 2015 Enrollment Report, Academic Quality Indicators Update, Academic Transformation Update, ABCDE Update and the Unified Online Implementation Plan. At the Committee meeting on November 15th the Committee approved the following items to be forwarded to the Consent Agenda for the November Board meeting: Awarding of Academic Degrees, Creation of a New Major Unit at USM: International Early College High School, and the Unified Online Implementation Plan.

Joint Session of Academic & Student Affairs Committee and Finance/Facilities/Technology Committee. Trustee Johnson reported that the Committees met on November 9, 2015. The report on the State of IT 2015 Plan was discussed and the Committee members present agreed in accordance with earlier action by the Finance/Facilities/Technology Committee,, to forward the recommendation to the November Board meeting.

Audit Committee. Trustee Hood reported that the Committee met on October 29, 2015. The Committee received an update on the UMS Benefits Dependent Eligibility Audit and the UM Department of Athletics Agreed-Upon Procedures Report for academic year 2013-2014. The Committee reviewed the Annual Financial Report for FY2015 and representatives from BerryDunn reviewed the External Auditor's Report.

Human Resources & Labor Relations. Trustee Medd reported that the Committee met on October 20, 2015. The Committee received an update on the Human Resources healthcare plan negotiations and plan changes and a Collective Bargaining update. The Committee agreed to forward to the Consent Agenda for the November Board meeting the following recommendation: a Correction to FY16 & FY17 Compensation and Benefits Changes for Non-Represented Employees.

Investment Committee. Trustee Karl Turner reported that the Committee met on October 8, 2015. The Committee did not have a quorum; therefore the following two action items were placed on the agenda for the November Board meeting for action: Reappointment of Non-Voting, Non-Trustee Member and the Approval of Non-Voting, Non-Trustee Member. The Committee received an update from CAPTRUST on the Defined Contribution Plans and New England Pension Consultants provided a performance review of the Managed Investment Fund, the Defined Benefit Pension Fund, and the Operating Cash fund.

UMA President Search Committee Update. Trustee Medd reported that the Committee completed its work on October 16 by reporting its findings to Chancellor Page. The UMA community hosted finalist candidates from September 28 through October 9. Candidates had the opportunity to meet with faculty, students, staff, and community representatives and to see facilities in Augusta, Bangor and Brunswick. The committee received input from many people who attended these campus visit sessions. We compiled that input with our own observations to provide the chancellor with a report of strengths and limitations of the candidates. With this work completed, the selection moves to the chancellor for further consideration and due diligence. All the members of the committee look forward to working with the new president. Trustee Medd thanked all the committee members for

their hard work and dedication to finding the right president for UMA in the years to come. She expressed her gratitude to her colleagues Trustees Fournier and Turner as well as all the 11 other members of the committee.

UMFK President Search Committee Update. Trustee Fournier reported that the Committee met in mid-October to review 47 applications, references were checked on 18 candidates and interviews have been scheduled for 8 individuals. Campus visits for 3 or 4 finalists will be scheduled for early December. The Committee has put forth a great deal of effort in a short period of time. The Committee hopes to report to the Chancellor by end of December with the expectation of Board approval of a finalist at the January Board meeting. Trustee Fournier thanked Trustees Newsom and Donnelly and all of the Committee members for their efforts with this Committee.

CHAIR'S REPORT

Trustee Collins welcomed Ms. Janet Parkhurst as the chair of the UMA Board of Visitors. He also thanked President Wyke and the staff at UMA for hosting the Board meeting and commented he appreciated the opportunity to see three different buildings on the UMA campus as part of the Board meetings on Sunday.

Trustee Collins congratulated UM on the \$3.7 million grant from the Department of Energy for the off shore wind mill project. He also congratulated the UMFK Bengals girls' and boys' soccer teams for their national championships. This is the sixth time the girls' soccer team has won the national championship and the second time for the boys' soccer team.

Trustee Collins presented a certificate of appreciation to Elizabeth Day as the Student Representative to the Board of Trustees from UMPI from March 2014 to November 2015 for her dedication and leadership to the University of Maine System. She will be doing her practicum next semester in Tanzania.

UMA 50 Video

UMA Interim President Rebecca Wyke displayed a short video on UMA's 50th anniversary. The video was prepared by the Kennebec Valley Chamber of Commerce honoring UMA for its service award this past year.

BOT Retreat

Trustee Collins stated that the Board of Trustees Retreat on November 1 & 2 was very effective with good dialog on governance.

Capital Investment Subcommittee

Trustee Collins announced that the following individuals will serve on the Capital Investment Subcommittee: Trustee Collins, Trustee Fournier, Trustee Turner, President Hunter, President Foster, Chancellor Page and Ryan Low, who will serve as chair of the subcommittee. The Committee will review and prioritize all capital and non-capital investment proposals.

BOT/BOV Summit

The BOT/BOV Summit was held on November 6th at UM. This was an informative session focused around the One University concept with the following outcomes: the UMS needs to clarify its plan, communicate the plan often, and engage the Boards of Visitors in the One University process and provide them with the tools to help the UMS educate the public on the One University concept. The

Chancellor will disseminate a PowerPoint Presentation to all of the Trustees and Boards of Visitors to provide more clarity on the One University initiative. The Boards of Visitors share the Trustees sense of urgency and encouraged the Board to continue to create change to the UMS that will continue to offer value to the students.

CHANCELLOR'S REPORT

Campus Visits

Chancellor Page stated that he has completed visits to each campus to discuss the One University model and progress. He was also invited to New York to meet with six System leaders to discuss the One University model. The challenges the group discussed are very similar to what the UMS is experiencing. Three of the challenges that were discussed are: how do we meet students where they are, what is the new student record, and how do we afford necessary infrastructure.

BOT/BOV Summit

Chancellor Page state that he felt the BOT/BOV summit was very productive. There was a clear sense of urgency, a desire for more clarity and information for communication and interesting discussions on marketing. Some of the BOV members in the marketing field are offering to put together a group of senior marketing experts throughout the state to meet with the UMS to assist in how the UMS can organize more effective marketing.

BOT Retreat

Chancellor Page agreed with Trustee Collins' comments on the Board of Trustees Retreat and in particular the balance of investment priorities against resources.

Enrollment Management and Strategic Marketing

Chancellor Page stated that the Presidents Council is organizing two groups to discuss enrollment management and strategic marketing. The enrollment management group will be co-chaired by Rosa Redonnett and UMPI President Linda Schott. The strategic marketing group will be co-chaired by Rosa Redonnett and USM President Glenn Cummings. These groups will be reporting back to Presidents Council and to the Board of Trustees on the System-level challenges.

Strategic Investments

Chancellor Page explained that all of the discussions recently have focused on strategic investments. The UMS is still in a challenging budgetary time, yet the UMS cannot postpone the question of how to invest strategically to maintain the quality of instruction, research and service that is part of the UMS mission. Through the Boards of Visitors, the UMS will engage our community leaders in making that case to the Legislature and to the people of the State of Maine to ensure that the UMS is adequately resourced. He thanked the Boards of Visitors members who offer their assistance.

TREASURER'S REPORT.

Financial Update. Mr. Ryan Low provided a financial update.

FY2015 Unrestricted Operations Budget to Actual

In 2015 UMS experienced a decrease from Unrestricted Operations of \$10.4 million, the equivalent of 2% of the annual operating revenue budget. As a result of the special retirement incentive and other workforce adjustments, the employee benefit pool realized a plan loss of \$6.4 million. Unrestricted investment income was budgeted at \$3 million; however, the return on unrestricted investments net of expenses resulted in a loss of \$540 thousand for a negative budget to actual variance of \$3.5 million.

Total expenses in 2014, excluding the benefit pool costs, were \$530 million. In 2015, excluding the benefit pool costs, the expenses were \$518 million for a total year over year reduction in expenses of \$12 million or 2.3%. The largest reductions were in areas of other expenses and transfers as well as compensation. Five of the seven campuses had year over year reductions in spending. The UMS expense levels are now close to where they were in 2009-2010. The campuses are increasing their general operating investments in capital acquisitions by \$3.3 million. Unfortunately declining revenues are offsetting the cost cutting efforts by a two to one margin between FY2014 and FY2015. Total revenue in FY2015 was \$24 million below FY2014 actuals, \$8.2 million below the FY2015 budget. Of that \$8.2 million, budget to actual loss, 52% was attributed to tuition, dining and residence hall fees resulting from lower than budgeted enrollments. Six of the seven campuses had year over year reductions in revenue. Overall revenues now are about \$10 million below the 2009 levels.

The Budget Stabilization Fund declined from \$21 to \$15.1 million due to losses at a couple of campuses and the negative budget to actual return on unrestricted investments. Based on the FY2015 approved annual operating budget, approximately \$5 million more will be transferred by the Treasurer to offset the FY2016 budgeted net unrestricted operating losses. This will result in a Budget Stabilization Fund balance of approximately \$10 million at the end of FY2016 if no excess investment income is realized. The UMS could continue to lose more investment income.

Managed Investment Pool (including Endowment Fund). The Managed Investment Pool (MIP), with a market value of \$251 million, returned -2.3% for the month of September, and -6.4% 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 \$35 million, saw a return for the month of September of -1.3% and -4.0% for the fiscal year to date.

Operating Fund. Operating Funds, with a market value of \$266 million, returned -0.5% for the month of September and -1.8% for the fiscal year to date.

FY2016 1st Quarter Forecast. Mr. Low provided an update on the FY2016 Forecast. The FY2016 UMS budget included campus operating losses of \$10.797 million - offset by the utilization of campus reserves of \$3.820 million and the Budget Stabilization Fund of \$7.014 million. As of October 31, 2015, the projected campus operating losses are \$10.911 million and the current loss in unrestricted investments is \$5.271 million as compared to budget.

Multi-Year Financial Projections FY2016 – FY2020. Mr. Low provided an update on the multi-year financial analysis for FY2016-FY2020. As of November 2014, the FY2016-FY2020 structural gap started out in FY2016 at \$42.3 million and was projected to grow to \$89.6 million by FY2020. This included the following assumptions: that tuition would remain flat through the five years, there would be no increase in appropriations, a 2% increase in compensation, medical trend increase of 7%, and 100% funding of depreciation. These assumptions were also based on credit hour projections and the major cost drivers are compensation and benefits and supplies and services. The multi-year financial analysis is not a crystal ball or a detailed budgeting tool. It provides a

framework for considering the System's major budget drivers and their aggregate impact on the financial results.

For FY2017 the campus structural gap is now approximately \$20 million versus one year ago the structural gap was \$50 million.

FY2015 Annual Financial Report. Ms. Tracy Elliott, Director of Finance and Controller, provided an overview of the Annual Financial Report. The UMS FY2015 Annual Financial Report is being presented to the Board of Trustees for approval. The report was reviewed by the Audit Committee at its October 29, 2015 meeting.

The UMS ended FY2015 with an *Income (Loss) Before Other Changes in Net Position* of nearly (\$20 million). Total Other Changes in Net Position offset the loss with \$11 million, for a Change in Net Position for FY2015 of (\$9 million).

Total Net Position at June 30, 2015 was \$861 million decreasing \$9 million from FY14, as restated. Changes in each Net Position category were:

Net Position Category:	<u>Increase (Decrease)</u>
• <i>Net Investment in Capital Assets</i>	\$9 million
• <i>Restricted Nonexpendable</i>	\$1 million
• <i>Restricted Expendable</i>	(\$3 million)
• <i>Unrestricted</i>	<u>(\$16 million)</u>
<i>Change in Net Position</i>	<u>(\$9 million)</u>

For the FY2015 financial statements, the UMS adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. The UMS also adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. Pursuant to these statements, the actuarially determined net pension liability is reported in full as a liability in the *Statements of Net Position* and certain items that were previously reported as assets and liabilities are reported as outflows of resources or inflows of resources in the year incurred or received. The FY2014 financial statements have been restated to reflect retroactive application of these changes in accounting principles including reclassification of certain balances and restatement of beginning net position as further described on page 71 of the statements. *Total Net Position* at June 30, 2014 declined \$8 million, in the *Unrestricted Net Position* category, from the amount previously reported.

Because of its financial significance, Ms. Elliott highlighted a GASB Pronouncement which will be implemented in fiscal year 2018. GASB Statement # 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB # 75 objectives include improving financial reporting through enhanced note disclosures and required supplementary schedules for consistency, comparability and transparency of information.

Transparency will be increased by providing information on net Other Post Employment Benefit (OPEB) liability measurement including explanations of how and why the liabilities change year to year.

- This GASB will impact the net OPEB liability measurement as different discount rates will be used depending on the funded versus unfunded portions of the liability and UMS' funding strategy.
- Most significantly, the GASB will require the entire net OPEB liability (currently \$103 million) to be recognized in the *Statement of Net Position*.

UMS staff will work with the actuaries to analyze the expected impacts of this new GASB and what steps need to be taken including developing a funding strategy.

On a motion by Trustee Nelson, which was seconded by Trustee Turner, the Board of Trustees approved the FY2015 Annual Financial Report as presented.

REPORT ON ACADEMIC AFFAIRS.

Academic Transformation Update. Dr. Ellen Chaffee, the Executive Director of the Academic Program Review and Integration Process and Chair of the Oversight Committee, provided an update on the current status of, and next steps for, academic transformation.

The Board's Strategic Initiative Target 4 focuses attention on academic transformation through portfolio review and academic program integration through Academic Program Review and Integration Process (APRIP) renamed Academic Transformation. Program Integration is the name of the initiative involving discipline-based academic teams that launched round 1 last winter and launched round 2 in late September to increase collaboration, quality, access, and financial sustainability. Academic transformation is an umbrella term that can include portfolio review, program integration, and other academic initiatives as may be defined in the future.

Fall 2015 Enrollment Report. Ms. Rosa Redonnett, Chief Student Affairs Officer, provided an update on the FY2015 Enrollment Report. Highlights from the report are as follows:

- Approximately 54% of Maine high school students enroll in college; UMS' share historically is 30-33% (or 18% of an entire graduating class).
- Maine public high school graduates will decline to approximately 12,000 through 2030.
- 2015 enrollment resulted in declines in headcount by 2.1%, FTE by 1.9% and credit hours of 1.5%.
- Over the past five years, associate degrees have declined by 44%, baccalaureate level has declined by 2.9%, and graduate non-degree by 44% in one year and 52% over the past five years.
- The undergraduate non-degree enrollment has a positive impact due to dual enrollment/early study, mission and state policy connections and revenue implications. The high school student headcount in early college programs for 2014-2015 was 1786 and for Fall 2015 is 1989.
- Four of the seven campuses saw increases in credit hours (UMA, UMF, UMFK and UMPI).
- All campuses with the exception of UMM saw increases in out of state credit hours.
- All campuses with exception of UMPI and USM saw increases in NEBHE.
- UMF, UMFK and UMPI saw increases in in-state enrollment.
- The part-time and overall non-degree enrollment continued to decline.
- Graduate student headcount enrollment overall dropped by 12.1% and 8% credit hours.
- The incoming class increased by 1.3%

- UMS saw an increase of 2.5% in overall transfers with 5.4% from the Maine Community College System.
- In-state and out-of-state full time graduates increased by 4.8%
- UMF, UMM and UMPI saw increases in first time/first year enrollment.
- 40.8% of 2015 enrollments were male and 59.2% were female.
- 66% of the enrollment is aged 24 or below and 34% is above the age of 24
- Out-of-state enrollment increased by 7.9%
- The top five international enrollment was from Canada, China, Marshall Islands, Saudi Arabia and the United Kingdom.
- Distance education saw an increase in on-line credit hours by 0.7%, an increase in distance on site credit hours by 23.8%, distance ITV continued to decline by 8.1% for 2015 and 42% over the past five years. On-line credit hours represent 15.8% of total credit hours and traditional on campus credit hours declined by 2.5%

DISCUSSION TOPICS

State of IT 2015 Report. Ms. Vendean Vafiades, Chief Administrative Officer and Special Counsel, and Mr. Richard Thompson, Chief Information Officer (CIO), presented the current State of Information Technology 2015 for the University of Maine System. Mr. Thompson introduced his staff:

Lauren Dubois, Director of Information Technology, Classroom and End User Technology
John Forker, Chief Information Security Officer
Jeff Letourneau, Executive Director, Networkmaine
Fred Brittain, Associate Chief Information Officer
Cindy Mitchell, Associate Chief Information Officer and
John Grover, Director, Enterprise Computing and Application Services

The State of IT 2015 Report includes recommendations to improve service capacity and quality for students, faculty and staff, upgrade wireless connectivity and modernize classroom technology.

The recommendations include major investment over a three year period to accomplish these improvements. The CIO and Chief Administrative Officer request Board of Trustees' acceptance of the CIO Report and authorization for the Chief Financial Officer, CIO and Chief Administrative Officer to develop a work plan and funding strategies to prioritize and implement the recommendations. The development of the work plan will include input from faculty, students, administrators, IT campus service providers and other customers.

On a motion by Trustee Fournier, which was seconded by Trustee Johnson, the Board of Trustees accepted the State of Information Technology 2015 Report submitted by the CIO and authorized the Chief Financial Officer, CIO and Chief Administrative Officer to develop a work plan and funding strategies to prioritize and implement the recommendations for presentation at the January 2016 Board of Trustees meeting.

Unified Online Implementation Plan. Dr. Rebecca Wyke, Interim President, University of Maine at Augusta, discussed the Unified Online Implementation plan and anticipated next steps. The Chancellor and the Board of Trustees have identified the need for a strategic approach for online, distance, hybrid and other digitally enhanced teaching and learning modalities (hereafter "online") as a critical priority of the University of Maine System in order to meet learner and state needs. In recognition of this, the Presidents Council provisionally recommended **an institutional**

collaboration model for system and campus online resources across the enterprise. An institutional collaboration model recognizes our online resources as a unified system asset belonging to the collective (not an individual institution) that serves the priorities of the academic enterprise and will be managed to ensure: resources are effectively leveraged to benefit the entire enterprise; a prioritization process occurs to address the most urgent learner and state needs and to expand revenue; and a fair process to develop a portfolio of quality online academic courses and programs.

In August of 2015, the Chancellor and the Presidents Council issued the **Unified Online Charter** to develop an implementation plan for an institutional collaboration model for Unified Online. This report outlines the implementation plan through a vision for a Center of Excellence in Digitally Enhanced Teaching and Learning, a set of specific recommendations for advancing this initiative, an organizational rendering of an institutional collaborative, and an implementation timeline and budget. The recommendations are accompanied by an extensive report that provides the background regarding previous efforts related to advancing excellence in digitally enhanced teaching and learning, as well as a conceptual overview of the optional models available and the case for the institutional collaboration model.

The recommendations are part of a greater framework for *One University for All of Maine* – a multi-campus, mission-differentiated framework with significantly reduced and reformed administration, as well as educational programs that leverage and integrate academic resources system-wide. These priorities are inter-reliant: campus mission differentiation; reduced and reformed administration; academic transformation; an enterprise-wide budget that leverages resources to meet student, community and state needs; a modernized, common, and robust technological infrastructure; and a unified online collaboration between the seven universities to support faculty in designing online, hybrid and in-person courses and innovating with new pedagogies and technologies – competency based methods, direct assessment, and interactive technology – to position our universities on the cutting edge of digitally enhanced teaching and learning; and to develop state of the art services to support online students 24/7.

On a motion by Trustee Hood, which was seconded by Trustee Fournier, the Board of Trustees gave conceptual approval to the institutional collaboration model; and further, the Board of Trustees directed the Chief Academic Officers to seek further input from the faculties of the seven universities and provide recommendations to the Presidents' Council on the implementation of academic oversight and a process for honoring campus-based shared governance of online programs. A report back with final recommendations from the Presidents Council is due to the Board of Trustees at its meeting in March 2016.

CONSENT AGENDA

Because Trustee Erwin requested to abstain from the motion for Tab 15 – Lease Authorization for USM, that agenda item was voted on separately.

Lease Authorization, USM.

On a motion by Trustee Johnson, which was seconded by Trustee Hood, the Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee to authorize the leasing of approximately 1,370 square feet of space with the University as lessee at the New England Ocean Cluster project, subject to review and approval of all terms and conditions by the University of Maine System Treasurer and General Counsel.

On a motion by Trustee Johnson, which was seconded by Trustee Moody, the remainder of 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 to the Consent Agenda from its meeting on November 15, 2015:

Awarding of Academic Degrees. The Board of Trustees authorized the awarding of degrees during Commencement ceremonies for the 2015-2016 academic year to those students fully recommended by the appropriate faculties and the presidents of the respective institutions and/or divisions of the University of Maine System.

Creation of a New Major Unit at USM: International Early College High School.

The Board applauded USM's innovative concept of creating an International High School and encouraged USM to continue with the planning and looks forward to considering approval of the concept at the earliest opportunity once work on the risk mitigation plan has been completed.

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 November 5, 2015:

Footprint Reduction Authorization, UMM. The Board of Trustees approved the recommendation of the Finance/Facilities/Technology Committee to authorize the expenditure of up to \$950,000 for the demolition of Kimball Hall from funds to be determined by the University of Maine System Treasurer.

Lease Authorization, UMF. The Board of Trustees approved the recommendation of the Finance/Facilities/Technology Committee to authorize the leasing of 10 parking spaces by the University as lessee from Regional School Unit 9 as lessor for \$1 per year for up to 15 years including discretionary renewals, with all final terms subject to review and approval by the University of Maine System Treasurer and General Counsel.

Lease Authorization, UMPI. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee to authorize the leasing of approximately 145 square feet of space by the University Credit Union as the lessee at the University of Maine at Presque Isle, subject to review and approval of final terms and conditions by the University of Maine System Treasurer and General Counsel.

Amendment to Board of Trustees Policy 711 – Named Chairs and Professorships. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee to accept the amendments to Board of Trustee Policy 711 – *Named Chairs and Professorships* as presented.

The Board of Trustees reviewed the following agenda items as forwarded by the Human Resources and Labor Relations Committee to the Consent Agenda from its meeting on October 20, 2015:

Correction to FY16 & FY17 Compensation and Benefit Changes for Non-represented Employees. The Board of Trustees approved the correction to the Non-Represented compensation and benefit changes for FY16 and FY17 as presented.

ACTION ITEMS

Trustee Investment Fund Allocation for FY2016. Chancellor Page asked for the original recommendation and resolution for FY2016 for the UMA/UMFK BSN Program Collaboration to be tabled until further work is completed on this initiative.

Chancellor Page explained that he is requesting approval to expend up to \$100,000 to UMA, UMF, UMKF, UMPI, and UMM for time sensitive investments related to campus mission differentiation. These funds will be drawn from the Trustee Investment Fund.

After a lengthy discussion among the Trustees and Presidents, Trustee Collins suggested this request be delayed until further information was available and additional time was allowed for discussion.

Ratification and Approval of the Action Items from the October 8, 2015 Investment Committee Meeting.

Reappointment of Non-Voting, Non-Trustee Member. On a motion by Trustee Turner, which was seconded by Trustee Johnson, the Board of Trustees approved the reappointment of John Moore to a third, two-year, term as a non-voting, non-trustee member of the Investment Committee.

Appointment of Non-Voting, Non-Trustee Member. On a motion by Trustee Turner, which was seconded by Trustee Medd, the Board of Trustees approved the appointment of Erik K. Hayward to a three-year term as a non-voting, non-trustee member of the Investment Committee.

INFORMATION ITEMS

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

- Management Group Appointment Report
- Capital Projects Status Report
- Dashboard Indicators
- Agenda Calendar

EXECUTIVE SESSION

On a motion by Trustee Medd, which was seconded by Trustee Nelson, 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-D to discuss planning for negotiations and communications with AFUM, UMPA, ACSUM, Police, PATFA, and Service and Maintenance Units.
- 1 MRSA Section 405 – 6E – to consult with General Council on legal issues.

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

Authorizing the Chancellor to Execute Contract for President, University of Maine at Augusta.

On a motion by Trustee Erwin, which was seconded by Trustee Turner, the Board of Trustees authorized Chancellor Page to conclude negotiations and execute a contract with the selected candidate.

DATE OF NEXT MEETING

The next meeting of the Board of Trustees will be held on January 24 & 25, 2016 at the University of Maine.

Adjournment

Ellen Doughty for
Tracy B. Bigney, Clerk