

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

at the University of Maine
November 19 & 20, 2017

Board of Trustees Meeting

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

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

Sunday, November 19, 2017

Trustee Erwin, Chair, called the meeting to order.

EXECUTIVE SESSION

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

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

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

CHAIR'S REMARKS

Trustee Erwin stated that Trustee Michelle Hood would be participating in the meeting by phone. Trustee Erwin thanked UM/UMM President Susan Hunter and the staff at the University of Maine for hosting the Board of Trustees meeting. He welcomed Mr. Owen McCarthy, Chair of the UM Board of Visitors and thanked him for joining the Trustees at the Board table.

ACCEPTANCE OF MINUTES

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

September 17 & 18, 2017 - Board of Trustees Meeting
September 25, 2017 – Investment Committee Meeting
October 5, 2017 – Executive Committee Meeting
October 25, 2017 – Human Resources & Labor Relations Committee Meeting
November 1, 2017 – Audit Committee & Finance/Facilities/Technology Joint Session
November 1, 2017 – Finance/Facilities/Technology Committee Meeting
November 6, 2017 – Academic and Student Affairs Committee Meeting

DISCUSSION ITEM

UM & USM Capital Campaign Updates. UM/UMM President Hunter and USM President Glenn Cummings provided an update on their capital campaigns.

President Hunter explained that the public portion of the Vision for Tomorrow Campaign was launched on October 13, 2017. Prior to the public launch, UM has raised over \$121 million dollars toward the goal of \$200 million. UM alumni Paul and Giselaïne Coulombe have agreed to serve as honorary co-chairs for the campaign. The Vision for Tomorrow Campaign themes are: fostering student success, ensuring access for all of Maine, catalyzing Maine’s economy, and accelerating discovery to impact.

President Cummings explained that the USM capital campaign is not ready for public announcement yet. President Cummings shared that the campaign has two major initiatives, transforming USM from a commuter school to a thriving full service campus, and the promise scholarship program. President Cummings invited Mr. George Campbell, President and CEO of the USM Foundation, to share further information about these initiatives. Mr. Campbell explained that the goal for the next generation campaign is \$15 million, currently \$6 million has been raised. Mr. Campbell reviewed the status of the career development and student center, this project is the centerpiece of a statewide bond issue. The center would give USM a chance for an updated student union and also the opportunity to embed career development offices under the flag of the metropolitan university.

ACTION ITEM

Confirmation of Student Representative to the Board of Trustees. The following nomination was brought forward by President Hunter to the Board of Trustees for approval.

On a motion by Trustee Moody, which was seconded by Trustee Eames, the Board of Trustees approved the appointment of the following Student Representative to the Board of Trustees: Abby Roche, UM – January 2018 to December 2019.

COMMITTEE REPORTS

Audit Committee and Finance/Facilities/Technology Committee Joint Session. Trustee Fournier reported that the Committee met for a joint session with the Finance/Facilities/Technology Committee on November 1, 2017. The Committee reviewed the following: UM Department of Athletics Agreed-Upon Procedures Report, Annual Financial Report – Fiscal Year 2017, Auditor Communications, and External Audit Services for Fiscal Year 2018.

Executive Committee. Trustee Erwin reported that the Committee met on October 5, 2017 and went directly to executive session, no action was taken.

Finance/Facilities/Technology Committee. Trustee Fournier reported that the Committee met on November 1, 2017. The following items were approved by the Committee to be forwarded to the

Consent Agenda at the November 19-20, 2017 Board of Trustees meeting: Land Transfer for Roundabout, USM; Land Transfer for Roundabout, UM; Lease Amendment and Square Footage Increase, Blueberry Cove 4-H Center, UM; Multiple Vehicle Replacement, UMS; and Aquatic Animal Health Facility Update, UM. The Committee heard a Lease Authorization for UMA and after discussing the item, the Committee decided to hold action until the next Committee meeting. The Committee discussed a Lease Request for USM, after discussion it was decided that this item would be brought before the Board at the November 19-20, 2017 meeting. The Committee received an update on the Information Technology Projects with a value of \$250,000 or greater and the Capital Projects Status Report.

Human Resources & Labor Relations Committee. Trustee Erwin reported that the Committee met on October 25, 2017. An Executive Session was held to discuss planning for negotiations and communications with AFUM, UMPSA, ACSUM, Police, PATFA, and Service and Maintenance Units.

Investment Committee. Trustee Turner reported that the Committee met on September 25, 2017. The Committee recognized the years of dedicated service by Mr. Jack Moore. The Committee approved the appointment of Mr. Peter G. Handy as a non-voting, non-trustee member. The Committee reviewed the following: NEPC Performance Review and Defined Contribution Plan Update. The Committee also discussed the selection of the International Small Cap Equity Manager. Due to not having a quorum, the appointment was forwarded to the November 19-20, 2017 Board of Trustees meeting for approval.

UM Presidential Search Committee. Trustee Johnson reported that the UM Presidential Search is well underway. A community update was released on October 17, 2017. The Committee has agreed upon a search timeline and meeting schedule. A Search Committee portal is being maintained by Storbeck and Pimental. The Committee is gathering candidates and has begun to review them with the agreed upon rating system. The search faces three challenges: compensation level, open campus format, and several other national searches are also occurring at the same time. The Committee will have a recommendation of two to four candidates at the end of February for the Chancellor to review.

Academic & Student Affairs Committee. Trustee Johnson reported that the Committee met on November 6, 2017. The following items were approved by the Committee to be forwarded to the Consent Agenda at the November 19-20, 2017 Board of Trustees meeting: Awarding of Academic Degrees and Program Approval: World Language Education. The Committee reviewed the following: the Fall Enrollment Report, debrief on the Nursing Summit, overview of the Maine Geospatial Institute, and a presentation on Graduate Research Programs: Student Experience.

Task Force on Risk Oversight and Board Governance. Trustee Collins reported that the Task Force has met four times. After reviewing the risk to the University of Maine System it was determined that it should be reviewed on a yearly basis. Chief of Staff and General Counsel James Thelen reviewed the Task Force's report which prescribes that risk oversight be explored further by the Audit Committee. The Task Force recommend further discussions of the following topics: what risks should be tracked, the materiality threshold, and frequency of reporting. In regards to Board governance, the Task Force recommended that a sub set of Trustees, on an ad hoc basis, look more deeply into the appropriate Board Governance.

BOT/BOV MEETING

The UM Board of Visitors (BOV) met with the members of the Board of Trustees. The following members of the UM BOV were present: Owen McCarthy, Chair; Philip Hamilton, and Kathy Olmstead.

Monday, November 20, 2017

Trustee Erwin, Chair, called the meeting order.

CITIZEN COMMENT

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

Cassandra Carrol – Divestment
Andrew Nolan – Divestment
Parker Anderson – Divestment
Bradley Smith – Divestment
Aidan Rvel – Divestment
Maya Canes – Divestment

Max Manro – Divestment
Ava Koenigsheia – Divestment
Isaac Santerre – Divestment
Emily Craig – Divestment
Jim McClymer – Health Insurance

CHAIR'S REPORT

Trustee Erwin thanked President Hunter and the staff of the University of Maine for their hospitality. Trustee Erwin welcomed new Trustee Betsey Timm to the Board. Trustee Erwin thanked Ángel Loredó, Director of Higher Education and Support Services for the Maine Department of Education, for attending on behalf of Commissioner of Education Robert Hasson. Trustee Erwin congratulated Chancellor Page on receiving the Maine State Chamber of Commerce Business Hall of Fame Award on November 7th. The award reflects the progress the System has made toward transformation towards the 21st century to meet the State's workforce and higher education needs. This was an important recognition by the Chamber and congratulations to Chancellor Page for receiving the award.

Workforce Development

Trustee Erwin spoke about the confluence of the System's efforts to transform and Maine's workforce challenges. The Board is starting to look into this with some degree of urgency and there will certainly be more discussions. At the September Board meeting, the Board received presentations from two informed speakers: John Dorrer and Matt Sigelman the CEO of Burning Glass Technologies. The presentations focused on data on the Maine workforce. At the BOT/BOV Summit on November 3, John Dorrer spoke again on Maine's workforce challenges. In October, several Trustees attended the Maine Development Foundation annual meeting in conjunction with Educate Maine. Part of the program was a workforce summit focusing on the talent shortage across the US.

As a result of these presentations there are several things outlined below that have become clear. First, there needs to be an understanding on what is happening to jobs. Single skill jobs are disappearing and hybridized jobs are the future but how does the System prepare graduates. Students are going to be required to have the following skills: data analyses, coding, clear written and oral communication, collaboration and problem solving. What is the UMS doing in our curricula to ensure that these things are embedded in our programs regardless of the major? The UMS will need STEM graduates with soft skills and liberal arts and humanities graduates with data literacy and coding competencies.

Second, perishable skills. There are skills that were highly valuable a few years ago that are now become obsolete. There is a need for constant feedback from employers so that the curricula can be relevant to prepare graduates for the workforce; to that extent the challenges to the UMS is enormous. Nationally, and specifically in Maine, we have a declining number of students who are not prepared for the workforce and tomorrow's economy. Data around proficiency of our Maine high school students are troubling. Based on John Dorrer's data, 61% of high school students are at or above proficient in science, 52% are at or above proficient in language and only 39% of students are at or above proficient in math. Not only is Maine graduating a declining number of high school students but far too many of the graduates are not ready for post-secondary education or employment. This is a crisis. The UMS has accomplished a great deal with the Early College initiative and it is important to continue that focus.

The third area of concern is that the market place is losing faith in higher education. John Dorrer's data showed a stark expectations gap between where higher education is going and what higher education could do and where higher education is currently. This is a challenge of relevancy. We know that tomorrow's economy is going to require knowledge and skills that the UMS needs to understand better and which will require alignment with the courses and programs. What is tomorrow's economy going to require of the UMS? There is a rapidly growing need for new learning environments apart from traditional classroom teaching and new models for credentialing apart from degrees. This is not something that is unknown to the System. The UMS needs to be in a position where it can provide different environments for learning, to take advantage of learning skills, be available to students, and to give students skills that are accessible and stackable. Traditional higher education is losing market share to organizations that are adapting faster than the UMS. What does all this mean? All these factors are putting a tremendous amount of pressure on our campuses and our leadership to adapt to innovate and to **collaborate**. We cannot rest even for a minute from the task to bring our institution along to a state of highly integrated and collaborative teaching and workforce preparation for our students. This is what the Legislature told the Board to do 1968 in the statute that created the UMS. We are a little behind schedule but we are making up for lost time. There has been a great deal of progress to the credit of the leadership at the System.

Trustee Erwin continued by stating internal collaboration is really important. Additionally in order to meet the State's workforce needs, the System needs to engage in external collaboration with the Maine Community College System, K-12 system, business leaders, community leaders and political leaders. It will require constant communication, integration and alignment among all these different elements in order to get this right.

The Chair concluded this remarks by stating the Board is looking closely at this workforce issue to figure out the best way forward internally and externally maximize what the System has to offer towards a statewide solution to this problem.

CHANCELLOR'S REPORT.

Chancellor Page thanked the Chair for his remarks and stated that he fully endorses his comments. He stated the primary issues are collaboration and workforce. All of the data shows that there is a need to change and enhance some of models for collaboration and become much more responsive not only to national trends but also to local needs. An example is the nursing shortage for Maine. Currently there are 600 nursing positions available and this is expected to increase to 3200 by 2025. The recent Nursing Summit is a partnership between the Maine higher education communities together with the major health care systems, and employers across Maine. It will take the type of collaborative thinking that was displayed at the Nursing Summit to begin to mitigate this crisis.

With respect to the internal collaboration, there is very important work going on. Some of these efforts will be raised in Vice Chancellor Neely's report. Over the next few weeks and months there are a host of deliverables due that will set the tone and direction for these collaborations within the System. The Chancellor feels they are extraordinarily promising but they do tread new ground. The efforts with respect to workforce are not unique to Maine.

Legislative Update. Chancellor Page provided a brief legislative update. The short session will begin in January. Work has been focused on a general obligation bond to support facilities. The challenge is for it to become sufficiently important in Legislators minds to become the top 2-3 on the list. The rationale to the Legislators are outlined as follows: 1) UMS cannot meet workforce development needs if the System does not have classrooms, research facilities, and a general infrastructure which deliver the training required for the students, facility and staff. 2) It is a matter of competition. Holding and attracting students in our institution and keeping them in state for the workforce. 3) Physical asset failure due to a shortage of funding.

Chancellor Page invited Ms. Samantha Warren, Director of Community and Government Relations, to provide a brief update on legislative activities. Ms. Warren explained that securing bipartisan support to send an infrastructure investment general obligation bond to voters is a top priority. This bond would fund a System-wide infrastructure investment planned for at least \$50 million. Another priority is improving legislative and public perception of the University of Maine System's relevance and value tax payers and educating legislators of the importance of investing in public higher education. Ms. Warren explained that this is ongoing work and thanked everyone who is in contact with legislators for their efforts.

NEASC

NEASC will have an announcement next month regarding accreditation and substantive change. President Foster will be on the slate for nomination to the commission along with former Trustee Eleanor Baker. They will be the State of Maine representation on the Board. Chancellor Page thanked President Foster and Ms. Baker for agreeing to serve on the commission.

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

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

Managed Investment Pool (including Endowment Fund). The Managed Investment Pool (MIP), with a market value of \$306 million, returned .8% for the month of September and is currently up 2.8% fiscal year to date. Changes in market value for the MIP, besides market fluctuations, include participant contributions and distributions including UMS contributions to the Other Post Employment Benefits (OPEB) Trust, the Maine Maritime Academy's participation in the Fund since January 2009, and the UM School of Law Foundation's participation in the MIP since July 2012.

Pension Fund. The Pension Plan, with a market value of \$31 million, returned 0.5% for the month of September and 1.8% fiscal year to date.

Operating Fund. The Operating Funds, with a market value of \$297 million, returned 0.1% for the month of September and 1% fiscal year to date.

Annual Financial Report – Fiscal Year 2017. Ms. Tracy Elliott, Controller, presented the Annual Financial Report for Fiscal Year 2017. The report was reviewed by the Audit Committee at its November 1, 2017 meeting. As shown on the Statement of Revenues, Expenses, and Changes in Net Position, UMS ended FY2017 with *Income Before Other Changes in Net Position* of \$4 million and with *Total Other Changes in Net Position* of \$17 million, for a resulting *Change in Net Position* for FY2017 of \$21 million.

The Statements of Net Position, show *Total Net Position* at June 30, 2017 of \$887 million, increasing \$21 million from the prior year. Changes in each *Net Position* category were:

Net Position Category:	<u>Increase (Decrease)</u>
<i>Net Investment in Capital Assets</i>	\$ (1) million
<i>Restricted:</i>	
<i>Nonexpendable</i>	\$ 1 million
<i>Expendable</i>	\$ 6 million
<i>Unrestricted</i>	<u>\$15 million</u>
<i>FY2017 Increase in Net Position</i>	<u>\$21 million</u>

On a motion by Trustee Johnson, which was seconded by Trustee Fournier, the Board of Trustees approved the FY2017 Annual Financial Report as presented.

Current Fiscal Year-to-Date Forecast to Budget. Vice Chancellor Low reviewed the current forecast which reflects a positive operating result of \$1.9 million or a \$2.6 million increase above budget. Some of the factors impacting the FY2018 forecast are as follows:

- Unrestricted investment income is budgeted at \$3.8 million; the current return on unrestricted investments is \$2.5 million.
- Although UM's Fall in-state credit hours were below budget, out-of-state credit hours were 4.1% above budget which is generating additional tuition and fee revenue overall.
- UMA is projecting a loss of \$36 million or \$2.6 million more than originally budgeted as Fall credit hours were 2,711 (7.7%) below budget. UMA is projecting some cost reductions and has sufficient reserves to offset this loss if realized.
- UMF's Fall out-of-state credit hours were 3.9% below budget, and financial aid is estimated to be \$600 thousand above budget.
- Fall credit hours were 909 (6.0%) below budget at UMFK. Reductions in operating expenses and vacancy savings are expected to offset the loss of revenue.
- UMM's total Fall credit hours were 600 (8.1%) below budget. Projected cost reductions may mitigate the majority of the lost revenue with the remaining projected loss of \$117 thousand being covered by reserves.
- UMPI continues to project a break-even year.
- USM is now projecting positive operating results of \$78 thousand as compared to their budgeted deficit of \$3.4 million.

Hanover Peer Project. Vice Chancellor Low provided an update on the Hanover Peer Project and explained the next phase of the project is building funding models for each campus based on the selected peers. This will be part of a process that drives the new Allocation Funding Model.

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

Career and Workforce Readiness Initiatives.

Program Innovation Fund. Vice Chancellor Neely reviewed this year's program innovation effort which was communicated last week and will focus on career readiness in addition to last year's initiatives. Forty pre-proposals were submitted by October 16, 2017 and 21 were invited to submit full proposals which are due in March 2018.

Maine Nursing Summit. Vice Chancellor Neely explained some of the results coming out of the Maine Nursing Summit which was held on October 27, 2017. There are several discussions currently underway between the campuses and outside organizations. UMFK and Northern Maine Medical Center are discussing sharing staff one day a week to serve as instructors for the campus to increase capacity. UMaine, Husson University and Eastern Maine Health System are talking about a shared clinical floor at Eastern Maine Medical Center in Bangor. UMA and Maine General will be talking about how to designing a model for a clinical instruction partnership. The Summit Steering Committee will be talking about next steps. Regional Committees have already been formulated for health care providers and educators in all regions of the State. One of the major suggestions coming out of the Summit was a standardized curriculum across all Maine higher education. As a way to start this conversation, there will be a joint meeting of the nursing faculty and the health care providers.

Maine GeoSpatial Institute (MGI). Vice Chancellor Neely explained a new proposal for the Maine GeoSpatial Institute which is a collaboration among all seven of the campuses. This proposal will develop collaborative programming and course work, manage real-time access to GIS resources across Maine, and connect industry, public agencies and K-12 projects. This is an excellent example of career readiness and experiential learning.

Joint Presidents Council and Chief Academic Officers Council Meeting. Vice Chancellor Neely explained that the Presidents Council and the Chief Academic Officers Council met jointly recently. One area of focus for this group was collaborative, professional master's degrees distributed across the state. Thirty-five different ideas were brought forward. At the end of the day they were prioritized and exploration of seven will start immediately.

VCAA messaging. Vice Chancellor Neely stating he is starting to change his messaging to focus on collaboration and career and workforce readiness.

Administrative Programs Innovation Teams. Vice Chancellor Neely commented that one of the issues in the MGI proposal was a virtual department cutting across all seven campuses. However, the System is not set up to accommodate this due to NEASC requirements. Therefore, the Administrative Program Innovation Teams started categorizing the issues into student, financial and library resources and developed team for each group. This is a significant challenge because there are barriers within barriers or barriers within the solutions. One possible solution is cross-listing of courses among collaborating campuses. Dr. Neely talked about the challenges of that are being pursued to move in this direction.

Early College Thumbnail. Vice Chancellor Neely stated the overarching vision for Early College is to build a college-going culture between UMS universities and the Maine high schools. The primary

goals are to grow by 1800 students and to have quality assurance for any UMS Early College course. The Early College budget is \$3 million for the biennium.

UMS: MCCS. Vice Chancellor Neely shared that recently there was a joint meeting of the Chief Academic Officers from the UMS and the Maine Community College System. The agenda focused on academic challenges, college readiness, early college, 2 and 4 year degree pathways, gaps in articulation agreements and strategies for collaboration. Four cross-cutting teams were developed on Early College, Math for General Education, College Readiness and Guided Pathways. The next joint meeting will be held on June 13, 2018.

Fall 2017 Enrollment Report. Ms. Rosa Redonnett, Chief Student Affairs Officer, and Vice Chancellor Low provided an update on the status of enrollment at our campuses for Fall 2017 and discussed how the enrollment within our System translates from the perspective of budget planning and the actual budget. The Fall 2017 Enrollment Report is historically run after our census date of October 15.

DISCUSSION ITEMS

Maine Center Ventures Update. USM President Glenn Cummings and Mr. George Campbell, Interim CEO of Maine Center Ventures and President and CEO of the USM Foundation, provided an update on Maine Center Ventures (MCV). MCV was separately incorporated by the UMS Board of Trustees in March 2017 as a non-profit entity within the Maine Center for Graduate Professional Studies. MCV's purposes are to:

- build closer ties for the Maine Center with Maine enterprises and employers and develop a wide range of new executive education programs;
- increase the focus of academic and non-academic programs on economic development opportunities of importance to Maine;
- promote new experiential education opportunities with Maine enterprises, including expanded externship and internship programs;
- undertake the capital campaign for the Maine Center and manage the funds raised for the Center; and,
- with funds raised in its capital campaign and from revenue streams from executive education and other undertakings, finance new investments that (i) rebuild capacity for growth in the Maine Center consortium academic programs, (ii) provide support functions for the consortium programs, and (iii) advance the mission of the Maine Center such as innovation within the academic programs and executive education.

MCV's initial board and bylaws are under development.

University of Maine and University of Maine at Machias Primary Partnership Update. UM/UMM President Hunter provided an update on the partnership between UM and UMM.

Proposed New Board Policy 214 – Institutional Authority on Political Matters. General Counsel and Chief of Staff James Thelen presented the proposed new Board Policy 214 – Institutional Authority on Political Matters. In December 2016, the UMS Board's Executive Committee charged an ad hoc committee to review and recommend, as it deemed necessary, changes to Board and System policies on freedom of speech, civility, and political impartiality. The committee, consisting of Trustees Erwin and Johnson, Presidents Cummings and Huseman (then President of UMM), and the Chancellor and Chief of Staff and General Counsel Thelen, proposed and the Board adopted, at

its March 2017 meeting, changes to Board Policy 212 to address freedom of speech, academic freedom, and civility issues. The ad hoc committee, with President Foster replacing former President Huseman in July 2017, continued its work to develop appropriate guidelines for institutional political activity and impartiality.

Based on the work of the ad hoc committee in several additional meetings, as well as input from the System's presidents and senior staff, Chief of Staff and General Counsel Thelen will present for the Board's information and discussion a draft proposed new Board policy, "Institutional Authority on Political Matters." It is intended that the Board consider the new policy for adoption at its January 2018 meeting.

Trustee Erwin suggested that this topic be brought up at the next Academic and Student Affairs Committee for further discussion before this item is brought back to the Board for a adoption.

ACTION ITEMS

Change to Board Policy 206 – Ethics Code and Conflict of Interest. Trustee Erwin explained the Board of Trustees Conflict of Interest requirements are outlined in Board Policy 206. In 2009, the Board amended the Policy to restrict Trustees from applying for or holding employment with UMS for one year following the end of their service as a member of the Board.

The one-year restriction affects the Student Trustee, who serves only a single two-year term, and the Commissioner of Education, who serves in an ex officio capacity only so long as he or she is Commissioner. The proposed amendment to Board Policy 206 – Code of Ethics and Conflict of Interest would provide that the one-year restriction on employment following service as a Trustee would not apply to the Student Trustee and the Commissioner of Education. However, individuals filling those particular Trustee seats would remain subject to the Board's Conflict of Interest policies and requirements during his/her service as a Trustee, just as all other Trustees are. The revised Policy was presented for discussion to the Board of Trustees at the September 17-18, 2017 Board meeting.

On a motion by Trustee Fournier, which was seconded by Trustee Collins, the Board of Trustees approved the proposed revisions to Board of Trustee Policy 206 Code of Ethics and Conflict of Interest, as presented.

Lease Request, USM. USM President Cummings invited Mr. Terry Shehata, Senior Policy Associate for Research and Economic Development & Coordinator of the Maine Economic Improvement Fund to discuss the USM lease request. USM requested authorization to enter into a lease with the private non-profit Maine Composites Alliance for its composite lab to occupy initially approximately 400 square feet and ultimately up to approximately 2,000 square feet on the USM Portland campus in the Science Building.

While the particular matter before the Board is a lease request, this initiative is intended to be more than a space contract. It is intended to be a partnership between USM and an industry association, which will provide benefits for students and faculty at all University of Maine System campuses, as well as for the Alliance's clients in Maine, regionally and nationally.

The Alliance understands that this partnership would involve the University of Maine as well as Southern Maine Community College. Indeed, the capacity of the initiative to achieve its outcomes and to contribute to the region's economic growth is bolstered by the participation of UMaine, in particular the College of Engineering, and SMCC.

This multi-party public-private effort is aimed at deepening USM's partnership with UMaine's nationally recognized signature area in advanced materials, which is an essential and significant asset to this partnership. In the context of a "One University", the University-Alliance partnership, would serve as a conduit for strategically engaging UMaine faculty, students and its research resources to address the composites industry needs; deepening USM's partnership with SMCC; open new opportunities for engaging our respective faculty and students in academic programming; and provide research, internships/co-ops and technical assistance activities with the composites industry.

This agreement will likely be for an initial period of not more than 5 years with renewal options thereafter based on performance, and interest of each part to continue the lease. by General Counsel and the University Treasurer. The University proposes in particular to lease the space located at rooms 492, 494 and 495 in the BioScience Wing of the Science Building on the Portland Campus. The lease will be phased, with the first phase including only room 494, approximately 765 square feet, for \$19,440 annually, approximately \$25 per square foot. The University will permit up to half of the monthly rent to be off-set in like-kind contributions by the lab through the Alliance in the form of student internships, training, testing and analysis, as well as faculty and student access to equipment and software.

The proposed space is currently unfinished space. The Alliance through the laboratory organization intends to undertake improvements to the space at USM. Those investments by the lab could reach \$500,000 or \$1 million. The lab or University may pursue grant funding in partnership with each other to make these investments. Any capital project in connection with this lease would be subject to further, future Board review per standard Board thresholds and actions for such projects.

The Finance, Facilities and Technology Committee reviewed this recommendation and requested additional information to be presented to the Board of Trustees at the November 19-20, 2017 Board meeting.

On a motion by Trustee Johnson, which was seconded by Trustee Fournier, the Board of Trustees authorized the University of Maine System acting through the University of Southern Maine to enter into a lease with the Maine Composites Alliance for space located in the Bioscience Wing of the Science Building located on the Portland campus, subject to review and approval of all final terms and conditions by the University of Maine System Treasurer and General Counsel.

Strategic Resource Allocation Plan (SRAP). At the September 5th meeting of the Academic and Student Affairs Committee, the SRAP Planning Team, led by Vice Chancellor Neely and Vice Chancellor Low, discussed the recommendations and accountability metrics for the Strategic Resource Allocation Plan, including recommended expenditures. The Board of Trustees at their September meeting approved expenditures for Enrollment Management for Small Campuses, Institutional Research and Reporting Team, Student Success Early Warning Tool and the Academic Transformation Innovation Fund.

In order to begin to move forward in a timely manner on other initiatives, the Chancellor is recommending the Board of Trustees approve additional expenditures for marketing, as well as fully funding the Innovation Fund administered by Vice Chancellor Neely.

On a motion by Trustee Johnson, which was seconded by Trustee Fournier, the Board of Trustees approved the following recommendation, as amended, contained in the Strategic Resource Allocation

Plan and directs the Treasurer to effect the transfer of funds, as appropriate, and incorporate into the FY2018 Operating Budget for the University of Maine System the following expenditure of funds:

Market Research - \$100,000. FY2018

Marketing of Academic Programs - \$300,000. FY2018

Academic Program Innovation Fund - \$275k in additional funding – full amount \$825,000. FY2018

CONSENT AGENDA

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

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

Land Transfer for Roundabout, USM. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee authorizing the transfer of certain parcels of land between the University of Southern Maine and the City of Portland in connection with a traffic improvement project in Portland, with all final terms and conditions subject to review and approval by the University of Maine System Treasurer and General Counsel.

Furthermore, per the City of Portland's request, the Board of Trustees authorized Chip Gavin, Chief Facilities and General Services Officer, to be the sole individual empowered to carry out the intent of this resolution, including the authority to sign the transfer and sale agreement and any other documents as necessary to complete the transaction.

Land Transfer for New Roundabout, UM. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee authorizing the University of Maine to transfer a 3.19-acre parcel of land located at the South Entrance of the Orono Campus to the Maine Department of Transportation for the construction of a roundabout at this location, subject to review and approval of the University Treasurer and General Counsel of all final terms and conditions.

Furthermore, the Board of Trustees authorized Chip Gavin, Chief Facilities and General Services Officer, to be the sole individual empowered to carry out the intent of this resolution, including the authority to sign the transfer and sale agreement and any other documents as necessary to complete the transaction.

Lease Amendment and Square Footage Increase, Blueberry Cove 4H Center, UM. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee authorizing the amendment to the lease agreement for the Blueberry Cove 4H Center located in Tenants Harbor, Maine to increase the lease cost by approximately \$9,600 for the remainder of the 25 year term and with an increased built footprint of approximately 3,500 square feet, with all final terms and conditions subject to review and approval of the University of Maine System Treasurer and General Counsel.

Multiple Vehicle Replacement, UMS. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee authorizing the University of Maine

System contract for and to expend funds in connection with up to \$1.75 million in vehicle purchases.

Aquatic Animal Health Facility Update, UM. The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee authorizing the University of Maine to increase the total project authorization for the Aquatic Animal Health Facility by \$500,000 in campus reserve funds, to a new total of up to \$2.8 Million, for the build out of the space.

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 November 6, 2017:

Awarding of Academic Degrees. The Board of Trustees approved the recommendation of the Academic and Student Affairs Committee authorizing the awarding of degrees during Commencement ceremonies for the 2017-2018 academic year to those students fully recommended by the appropriate faculties and the presidents of the respective institutions of the University of Maine System.

Program Approval: World Language Education. The Board of Trustees approved the recommendation of the Academic and Student Affairs Committee authorizing the creation of the World Language Education programs in Spanish and French for the University of Maine at Farmington.

RATIFICATION

International Small Cap Equity Manager Selection. Trustee Turner explained that at its March 2017 meeting, the Investment Committee approved a new dedicated allocation of 5% to international small cap equities in the Managed Investment Pool (MIP). New England Pension Consultants (NEPC) has since provided the University of Maine System with an international small cap equity search book, which was reviewed with UMS staff and select Committee members. As a result, two managers were selected for interview. The Committee interviewed Segall, Bryant & Hamill and Kabouter Management at its September 25th meeting.

The Investment Committee supported the selection of Kabouter Management for a 4.0% allocation (\$11,000,000) in the Managed Investment Pool (MIP) with funds coming from international large cap equities. An additional 1% of the MIP is also allocated to international small cap equity through a current manager (Globeflex).

Lacking a quorum, the Committee forwarded this item to the Board of Trustees for approval at the November 19-20, 2017 Board meeting.

On a motion by Trustee Collins, which was seconded by Trustee Martin, the Board of Trustees approved the selection of Kabouter Management for a 4.0% allocation (\$11,000,000) in the MIP with funds coming from international large cap equities.

EXECUTIVE SESSION

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

- 1 MRSA Section 405 6-A to discuss the evaluation of personnel and the consideration and discussion of appointments, employment and duties.
- 1 MRSA Section 405 6-D to discuss planning for negotiations and communications with AFUM, UMPSA, ACSUM, Police, PATFA, and Service and Maintenance Units.

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

Action Item

Approval of Collective Bargaining Agreement – PATFA. On a motion by Trustee Fournier, which was seconded by Trustee Johnson, the Board of Trustees authorized the Chancellor to execute the collective bargaining agreement with The Maine Part-Time Faculty Association, American Federation of Teachers Local #4593, AFT-Maine, AFL-CIO, upon notice that the agreement has been ratified

Approval of Collective Bargaining Agreement – Teamsters. On a motion by Trustee Johnson, which was seconded by Trustee Martin, the Board of Trustees authorized the Chancellor to execute the collective bargaining agreement with the Teamsters Union Local #340, Service and Maintenance Unit upon notification that the agreement has been ratified by the union.

Honorary Degree Nomination for 2018, UM. On a motion by Trustee Turner, which was seconded by Trustee Johnson, the Board of Trustees approved the 2018 nomination for Honorary Degree for the University of Maine, as presented.

Confirmation of Board of Visitors Appointment, UMA. On a motion by Trustee Johnson, which was seconded by Trustee Timm, the Board of Trustees confirmed the Board of Visitors appointment for the University of Maine at Augusta, as presented.

DATE OF NEXT MEETING

The next meeting of the Board of Trustees will be held on January 28 & 29, 2018 hosted by the University of Maine System at the University of Maine.

Adjournment
Elissa Ivey for
Ellen N. Doughty, Interim Clerk