

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

At the University of Southern Maine, hosted by UMS
November 18-19, 2018

Board of Trustees Meeting

Present: James Erwin, Chair; Kelly Martin, Vice Chair; Samuel Collins, Lisa Eames, Norman Fournier, Gregory Johnson, Ángel Loredó (on behalf of Robert Hasson), Karl Turner, Trevor Hustus, David MacMahon and Betsey Timm. **Chancellor:** James Page. **Faculty Representatives:** Heather Ball, Leo Trudel, Timothy Surette, Clyde Mitchell, Patti Miles, Lisa Leduc, and Elizabeth Turesky. **Student Representatives:** Lukas Lagasse, Samuel Atwood, Teresa Plummer, Evan Zarkadas, Issac Michaud, Dylan Reynolds, Duane Belanger and Jonathan Bomar (on behalf of Abby Roche). **University Presidents:** Glenn Cummings, Joan Ferrini-Mundy, Ray Rice, John Short, Eric Brown, and Rebecca Wyke. **System Staff:** Dan Demeritt, David Demers, Ellen Doughty, Chip Gavin, Carol Kim, Ryan Low, Tamara Mitchell, Kay Kimball, Robert Placido (by phone), Rosa Redonnett, James Thelen, Samantha Warren and Mark Schmelz. **Others present:** Vendean Vafiades.

Absent: Robert Hasson, James Donnelly, Mark Gardner, Shawn Moody, and Michelle Hood.

Sunday, November 18, 2018

Trustee Erwin, Chair, welcomed everyone and called the Executive Session to order.

EXECUTIVE SESSION

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

Monday, November 19, 2018

Trustee Erwin, Chair, called the Public meeting to order and welcomed everyone.

CITIZEN COMMENT

Citizen Comment is a time regularly set aside for comments from the public. There were no citizen comments at this meeting.

CHAIR'S REPORT. Trustee James Erwin began the meeting by congratulating and thanking Chancellor Page, UMS campus Presidents, UMS campus Board of Visitors (BOV), Sam Warren, and the large team of people involved in the UMS Workforce Development bond campaign for all of their hard work and for the successful passage of the UMS bond earlier this month. He stated that although the bond did pass, the margin at which it passed was an indication of the fact that UMS needs to work on building the confidence that the public has in the System and on emphasizing the importance of the critical need for post-secondary education in order to mitigate the State-wide workforce crisis.

Trustee Erwin recognized USM Faculty Representative Elizabeth Turesky, USM Student Representative Dylan Reynolds, and UMF Student Representative Isaac Michaud for their leadership and dedication to UMS as they ended their terms as representatives to the UMS Board of Trustees.

Declaration of Strategic Priorities to Address Critical State Needs

Trustee Erwin provided information on the UMS Board of Trustees work over the last 15 months to assess the UMS strategic position in light of some specific challenges that have emerged in Maine as well as throughout the United States, which will have a substantial impact on the System as well as the Maine economy. Demographics show likely enrollment declines over the next 10 – 15 years. Data indicates that the future is geared towards people who regardless of their career field, will be required to possess post-secondary credentials with strength in the areas of data and data analysis. Workforce needs will include employees that have strong soft skills that lead to success in any workplace such as communication, collaboration, creativity, and problem solving. Students are looking to unbundle 4-year degrees into components tied to their career paths and many new enterprises are forming and growing to meet this demand. Students are also looking for new ways to earn degrees, such as online degree completion.

In 2016 the UMS Board of Trustees developed a set of six priority outcomes to increase enrollment, improve student success and completion, enhance fiscal positioning, support Maine through research and economic development, ensure relevant academic programming, and promote University workforce engagement. Since then the Board of Trustees and UMS leadership have worked towards success of these priority outcomes. In order to advance the 2016 priority outcomes and taking into account the information that has been gathered over the past 15 months, the Board of Trustees and System leadership have developed a draft Declaration of Strategic Priorities to Address Critical State Needs. Since the September 16-17, 2018 Board of Trustees meeting the Trustees and System senior leadership have been working to develop this draft declaration of strategic priorities, which outlines four strategic goals and accompanying actions. The four main goals are advancing workforce readiness and economic development, increasing Maine educational attainment, aligning academic programs and innovation to drive student success and employer responsiveness, and maintaining competitiveness and sustainability to meet critical State needs. Next steps are to distribute the draft declaration of strategic priorities to the campuses, UMS BOV members, and additional system staff for feedback. After feedback has been received a final draft of the declaration will be developed and presented at a Special Board of Trustees meeting sometime in December 2018 for approval by the Board of Trustees.

CHANCELLOR'S REPORT. Chancellor James Page stated that the \$49 million UMS Workforce Bond passed with 54.2% of the vote at the November 2018 election. This brings the total amount that the State has committed in terms of capital investment to support UMS facilities and

infrastructure to \$99 million. He thanked everyone for their support in the UMS Workforce bond, in specific he also acknowledged the System Bond Committee which includes USM President Glenn Cummings and UMS System staff Ryan Low, Sam Warren, Dan Demeritt, and James Thelen for all of their tireless work towards ensuring the successful passage of the bond. He thanked the UMS campus Presidents and BOV members for their support and advocacy for the UMS bond. He also thanked the Maine Chamber of Commerce, Erik Jorgensen, Governor LePage and all of the other legislative supporters of the UMS Workforce bond. Chancellor Page stated that UMS should capitalize on the great deal of momentum they have going into the new year by engaging the new governor and the legislature to start the process of procuring new government funding that would get us closer to the amount of money needed to complete the UMS ten-year investment plan.

Maine Center Ventures (MCV) Chief Executive Officer Ms. Terry Sutton provided the Board of Trustees with information on MCV progress to date. MCV's three key areas of focus are executive education, supporting the entrepreneurial efforts in the community and on campus, and supporting the development of interdisciplinary curriculum. They have had six employer community engagement sessions with 33 organizations represented and 55 individual attendees. During the sessions they discussed the key topics of workforce development, data management and analytics, and building organizational competencies. In the short term there has been much focus on executive education by developing certificate programs, summer institutes, and focused workshops. The longer term work has been focused on degree collaborations and evaluation of several master's degree programs. MCV has also been working on marketing and negotiating with partnerships to leverage space and programming.

VICE CHANCELLOR FOR FINANCE, ADMINISTRATION, AND TREASURER'S

REPORT. Vice Chancellor for Finance and Administration & Treasurer Mr. Ryan Low provided the following financial update. The Managed Investment Pool has a current market value of \$325 million. It is down 0.4% for the month of September, bringing the fiscal year to date return total to 1.1%. The Pension Plan has a current market value of \$28 million. It was down 0.6% for the month of September, bringing the fiscal year to date return total to 0.7%. The Operating Fund has a current market value of \$310 million. It stayed flat for the month of September, bringing the fiscal year to date return total to 0.8%. With that said, due to the stock market plummet in October 2018 all three investments experienced a loss, wiping out any returns and putting them slightly in the negative.

For FY2018 the UMS experienced an increase from E&G and Auxiliary Operations of \$15.3 million and that is comparable to what was expected with a budgeted loss of \$1.8 million. Unrestricted investment income was budgeted last year at about \$3.8 million and returned \$5.8 million for the year, which was an increase of approximately \$2 million above budget. That \$2 million was placed in the budget stabilization fund and at year end UMS had \$13.1 million in the budget stabilization fund. Overall enrollment for UMS was approximately 408 Full Time Equivalent (FTE) hours below budget, however total tuition and revenue was actually \$1.5 million above budget due the increase in graduate and out-of-state revenues. The employee benefit pool had a surplus of \$5.8 million which was transferred to the benefit pool reserve, bringing the benefit pool reserve balance up to \$15.7 million. Between the benefit pool and the budget stabilization fund the balance is nearly \$30 million in reserves.

UM enrollment exceeded FY2018 budget by 116 FTE hours and revenues exceeded budget by \$5.5 million, largely due to the increase in out-of-state enrollment. UMA revenues were \$2.49 million below budget but were offset by a reduction in expenses, which kept them in line with their forecasted budget. UMF credit hours were 0.8% below budget, however non-resident credit hours

were 5.6% below budget, resulting in a negative tuition and fee revenue variance of nearly \$1.4 million. UMFK, UMM, and UMPI are all showing positive results for FY2018. USM enrollment was 3.7% below budget, this was offset by an increase in non-resident enrollments. Additionally, expenses at USM were \$7.4 million below budget. The Law school's total revenues were \$625,000 below budget or about 12.5% and total expenses and transfers were \$650,000 above budget.

VICE CHANCELLOR FOR ACADEMIC AFFAIRS' UPDATE. Vice Chancellor for Academic Affairs Dr. Robert Neely provided an update on the following Academic Affairs items.

Advancement of Early College Initiatives. UMS Early College Lead Coordinator, Dr. Amy Hubbard, presented information on the progress of Early College across the System. The UMS Early College program allows high school students to enroll in college courses and earn credits on both their high school and college transcripts. Early College programs are based on partnerships between Maine's Public Universities and high schools to help students, especially those who may not aspire to a college education, successfully transition to college. Early College includes *Dual Enrollment* (concurrent enrollment), *Aspirations* (at the university or online), and *Bridge Programs* (with Career and Technical Education).

The funds that were provided to the UMS by the State in 2017 were aimed at increasing enrollment and improving the quality of the Early College programs. All seven campuses of the UMS have coordinated and collaborated over the past year to meet the quality and enrollment goals through building infrastructure and developing critical programming for student success. The 2017 National Alliance of Concurrent Enrollment Partnerships (NACEP) report shows that 28.4% of Early College Students matriculate at a UMS campus. This is a mid-level range and one of Early College's initiatives aims to improve this percentage. High school faculty development and student success have been key initiatives for the Early College Program. Additionally, each of the UMS campuses have been working on developing pathways to career programs, helping to educate high school students on the connection between academic majors and careers. Due to the efforts of the Early College initiatives, UMS had an overall increase in Early College enrollment of approximately 23% from FY2018 to FY2019.

Introduction to Academic Partnerships. Senior Vice President Mr. Chris Shenk, and Vice President Ms. Liz Daiber from Academic Partnerships (AP) presented information to the Board of Trustees about the rich set of services AP is providing to UMS to expand the national reach and responsiveness of the UMS's online offerings. These services included market research, effective marketing strategies, lead generation, instructional design support, subject matter expertise as needed, student performance tracking, and general management support. They also shared information on AP's past performance with their many partnering institutions across the country. Mr. Shenk provided more information about the next steps of implementation at USM, UMPI, and UMFK. Beginning in January 2019, AP personnel will be arriving on the three participating UMS campuses to start the discovery process and begin to blueprint the courses that will be launched. Shortly, the design and marketing processes will begin in order to launch the first set of courses for Fall 2019.

Fall 2018 Enrollment Report. UMS Chief Student Affairs Officer, Ms. Rosa Redonnett provided a brief update for Board members on the status of enrollment at our campuses for Fall 2018 based on the findings within the FY2018 Fall Enrollment report. Overall UMS experienced an increase of 2.5% headcount, an increase of 1% FTE, and an increase of 0.9% credit hours. This was driven predominately by increases at UMA, UMPI, and USM. UMS had an increase of 13.8% in

baccalaureate level non-degree credit hours. There was also an increase of 4.3% graduate degree credit hours and an increase of 6.6% in out-of-state credit hours. Associate degree credit hours increased slightly but are still down 45% over the last five years, due mostly to UMS no longer offering Associate degree courses at most of their institutions. UMS Early College and dual enrollment credit hours increased 25.7%. Five of seven UMS campuses had enrollment increases for FY2018. First time, first year, incoming class increased by 1% and in-state full/part-time first time incoming class increased by 5.7%. UMS Graduate degree enrollment increased for the third year in a row.

UMS Vice Chancellor for Finance and Administration, Mr. Ryan Low provided additional information about how enrollment within UMS translates from the perspective of budget planning and the actual budget. The primary enrollment factors that impact the UMS budget are credit hours and headcount. Credit hours translate into revenue for UMS and headcount numbers translate into expenses for UMS. The enrollment report is used to forecast the next year's budget and to compare actuals to identify variances in the budget.

UMA Vice President for Enrollment Management and Marketing, Mr. Jonathan Henry provided information about enrollment at UMA, a campus that exhibited enrollment growth for FY2018. Through reworking the admissions/recruitment staff, focusing on capturing the adult learner market, and concentrating on student retention UMA was able to increase enrollment for FY2018. Consequently, UMA had an increase in gross tuition of 2.6% for FY2018.

DISCUSSION ITEMS

Potential Program Priorities in Selected Emerging Areas. USM President Glenn Cummings and UM/UMM President Joan Ferrini-Mundy reported on preliminary discussions with faculty experts concerning potential new or revised program emphases and instructional/experiential approaches in areas that may be key for the future Maine workforce. Those areas include data science, computing, biomedical engineering, and health-related biosciences and genetics. Findings from the discussions show that new approaches to learning and teaching are needed to engage students effectively in these interdisciplinary areas. Additionally, the discussions identified that UM and USM together have a strong set of core academic strengths and multiple bachelors and masters programs.

ACTION ITEMS

Acceptance of Minutes

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

September 10, 2018 – Human Resources & Labor Relations Committee Meeting

September 11, 2018 – Academic & Student Affairs Committee Meeting

September 13, 2018 – Finance, Facilities, Technology Committee Meeting

September 16 & 17, 2018 – Board of Trustees Meeting

September 28, 2018 – Investment Committee Meeting

October 21-22, 2018 – Special Board of Trustees Meeting

October 24, 2018 – Human Resources & Labor Relations Committee Meeting

October 29, 2018 – Audit & Finance, Facilities, Technology Committee Joint Session

October 29, 2018 – Finance, Facilities, Technology Committee Meeting

October 29, 2018 – Special Board of Trustees Meeting

October 30, 2018 – Academic & Student Affairs Committee Meeting

October 31, 2018 – Finance, Facilities, Technology Committee Meeting

UMF Presidential Search Criteria and Characteristics. Chancellor Page and UMS Director of Organizational Effectiveness, Ms. Tamara Mitchell provided the Board with an update on the progress of the UMF Presidential Search. The search committee for the UMF President has already begun its work. Trustees serving on the committee are Trustee MacMahon, serving as chair; Trustee Turner, and Trustee Timm. In addition, constituents have named their representatives to the committee, a search firm has been selected (Storbeck, Pimentel & Associates) and members of the dedicated UMF consultant team have conducted a site visit and campus listening sessions to seek input on campus attributes, opportunities and desired characteristics for a new President. Two of the first steps of the search are for the Board to develop the description of the position and criteria for selecting the President and formally charge the committee. Trustee MacMahon stated that the next search committee meeting would be on November 28, 2018 and put forth the motion listed below.

On a motion by Trustee MacMahon, which was seconded by Trustee Hustus, the Board of Trustees adopted the criteria for the President of the University of Maine at Farmington as discussed. When charging the committee, Chancellor James H. Page will transmit the Board of Trustee's criteria to the search committee and search consultant for use in describing the position and guiding the work of selecting the President.

Revised Board of Trustee Policy 311 Intra-System Student Exchange. UMS Chief of Staff and General Counsel, James Thelen provided a brief overview of the revised Board of Trustees Policy 311. A first draft of the revisions to Board Policy 311 was presented at the September 11, 2018 Academic and Student Affairs (ASA) Committee meeting and also presented for discussion at the September 16-17, 2018 Board of Trustees meeting. After receiving input from the ASA Committee, other Board Members, the UMS President's Council, the Chief Academic Affairs Council and Student and Faculty Representatives to the Board, additional revisions were made and the draft Policy 311 was presented for discussion again to the ASA Committee at their October 30, 2018 meeting. The ASA Committee recommended the revised draft Policy 311 be forwarded to the November 18-19, 2018 Board of Trustees meeting for approval by the Board of Trustees.

On a motion by Trustee Fournier, which was seconded by Trustee Hustus, the Board of Trustees accepted the recommendations of the Academic and Student Affairs Committee and approved the revised version of Board Policy 311: Intra-system Student Exchange as presented.

Confirmation of Faculty and Student Representatives to the Board of Trustees.

On a motion by Trustee Hustus, which was seconded by Trustee Collins, the Board of Trustees approved the appointments of the following Faculty and Student Representatives to the Board of Trustees:

Faculty Representative:

Matthew Bampton, USM – appointed for a one year term – Nov. 2018 to Nov. 2019

Student Representative:

Margaret Pomerleau, UMF – appointed for two year term – Nov. 2018 to Nov. 2020

Confirmation of Board of Visitors Nominations, USM and UMPI.

On a motion by Trustee Hustus, which was seconded by Trustee Turner, the Board of Trustees confirmed the Board of Visitors appointments for UMPI and USM as presented.

Honorary Degree Nomination, UMFK.

On a motion by Trustee Hustus, which was seconded by Trustee Fournier, the Board of Trustees approved the 2019 nomination for Honorary Degree from the University of Maine System with the University of Maine at Fort Kent conferring the degree, as presented.

CONSENT AGENDA

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

The Board of Trustees reviewed the following agenda item as forwarded by the Academic & Student Affairs Committee to the Consent Agenda from its meeting on October 30, 2018:

Awarding of Academic Degrees.

The Board of Trustees approved the recommendation of the Academic and Student Affairs Committee and authorized the awarding of degrees during Commencement ceremonies for the 2018-2019 academic year to those students fully recommended by the appropriate faculties and the presidents of the respective institutions of the University of Maine System.

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 October 31, 2018:

ESCO Authorization Request, USM.

The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee for the University of Maine System acting through the University of Southern Maine to issue the solicitation as may be warranted and enter into the necessary agreements to pursue a public, private partnership to provide energy saving improvements at the Gorham campus with a total potential financial impact of up to \$1,900,000, subject to approval of all final terms and conditions by General Counsel and the University Treasurer.

Dining Hall Investment, USM.

The Board of Trustees approved the recommendation of the Finance, Facilities and Technology Committee for the University of Maine System acting through the University of Southern Maine to pursue a public private partnership with Sodexo, America LLC for the renovation of Brooks Student Center dining hall for the amount of up to \$2,000,000, subject to review and approval of all final terms and conditions by General Counsel and the University Treasurer.

EXECUTIVE SESSION

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

- 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 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 Martin, which was seconded by Trustee Eames, and approved by all members present, the Board of Trustees concluded the Executive Session.

Additional information about the meeting can be found on the Board of Trustees website:

<http://staticweb.maine.edu/wp-content/uploads/2018/12/BOT-MtgMat-Nov2018-rev112018.pdf?0d0f03>

DATE OF NEXT MEETING

The next meeting of the Board of Trustees will be held on January 27-28, 2019 at the University of Maine.

Adjournment

Heather A. Massey for
Ellen N. Doughty, Clerk