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Board of Trustees May 19, 1986

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UNIVERSITY OF MAINE
Board of Trustees

May 19, 1986
University of Southern Maine - Gorham Campus

Board of Trustees Meeting

PRESENT: Chairman Joseph Hakanson; Francis Brown, Robert Dunfey, Stanley Evans, David Flanagan, Geneva Kirk, Richard Marshall, Teresa Moore, Richard Morin, Richard Redmond, Harrison Richardson, Barbara Sanford, Patricia Schroth and Stewart Smith. Absent: Severin Beliveau and Thomas Monaghan. Staff: Acting Chancellor Harlan Philippi, William Sullivan, Mary Ann Haas, Samuel D'Amico, Russell Smith, Richard Eustis, Richard Spath, Arthur Johnson, Constance Carlson, Robert Woodbury, Frederic Reynolds, George Connick and Judith Sturnick. Press and Public.

Chairman Joseph Hakanson convened the meeting. On motion made and seconded, the minutes of meetings held on January 27 and February 24, 1986, were approved as circulated.

1. Citizen Input.

- Mr. Wayne Thurston, President of the Maine Extension Association, presented a copy of the association's annual report and commended the Board for its intention to undertake a review of Extension and Experimental Station programs, an item which was on the agenda for action at this meeting.

- Professor Harry Kerr on behalf of the Faculty Representatives commended Trustee Francis Brown for distinguished service to the University. Mr. Brown whose term will expire this year, expressed appreciation for the recognition.

- Jeff Jordan, Administrative Assistant to the City Administrator of Lewiston, representing the Lewiston legislative delegation, read a statement requesting a continued commitment from the Board in support of an increased University presence in Lewiston through construction of a classroom/laboratory facility to house a four-year baccalaureate degree program for Androscoggin County.

2. Chairman's Remarks.

- Mr. Hakanson welcomed to the Board former Student Representative Teresa Moore, who had just been appointed by the Governor to a two-year term as Student Trustee, and Mr. Richard Redmond, Interim Commissioner of Educational and Cultural Services.

- At the request of the Chairman and on motion made and seconded, his committee assignments were ratified, as presented.

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- Mr. Hakanson announced that negotiations were underway with the Presidential Search Consultation Service to assist with the recruitment of a president for UMA. A timetable for the presearch study would be presented in July and the search process would begin in September.

- Mr. Hakanson thanked President Richard Spath for the copies of a novel by Cathie Pelletier which were distributed to Trustees. Ms. Pelletier whose first book had been reviewed in the State's press, is a graduate of the University of Maine at Fort Kent, and the Allagash region was the setting for the novel.

3. Chancellor's Remarks. Dr. Philippi, approaching the end of his assignment as Interim Chancellor, took note of the impending changes in the University and of the different ways individuals respond to change. For all those who enhance and welcome new challenges there are others who will be uneasy and anxious. Acknowledging that his comments were a departure from the Chancellor's customary remarks, Dr. Philippi said it would be important to remind ourselves as we look toward the new beginning for the University, that it is not only individuals who experience well-being who need to be considered but there needs to be consideration of those who feel anxious and threatened, as well.

The Chairman thanked Dr. Philippi for his remarks and commended his performance in the Interim position, conveying the Trustees' appreciation for his willingness to serve them and the University in this way.

Finance Committee.

4. E&G/MPBN Budgets - FY87. Mr. Flanagan, Chairman of the Finance Committee, presented the recommendation for approval of the operating budgets, taking particular note of the inclusion of the special \$15 million appropriation that accrued to the institution as a consequence of the Visiting Committee's recommendations. He reported that certain commitments were made to the Governor concerning the use of the \$15 million and he indicated that these funds would be held in separate accounts to facilitate tracking expenditures, specifically, to provide assurance that these commitments have been met and that the Trustees would be able to report later precisely how the funds were spent. From the funds allocated to the Orono Campus, \$2.5 million would be held in escrow pending completion of certain studies. None of the \$15 million may be used to make up shortfalls in operating budgets, from enrollment drops or otherwise. Trustee Smith expressed some reservations about the budget process, which he said he thought should reflect the priorities and direction of the program, and he asked whether the present process would allow redirection of programs. Mr. Flanagan reported that Farmington and Southern Maine, particularly, have excellent systems in that respect and that the others are working in that direction. He indicated that the new Chancellor should assess the system and determine what steps are necessary to insure that the system is adequate, overall.

There being no further discussion, on motion of Mr. Flanagan, which was seconded, it was

VOTED: To established E&G and MPBN budgets for FY87 at the following levels:

1. FY87 Operating Budgets

<u>Educational & General</u>	<u>Revenue</u>	<u>Expense</u>
UMA	\$ 2,241,557	\$ 4,866,776
UMF	2,748,763	6,535,407
UMFK	603,326	2,140,562
UMM	838,860	2,608,182
UMO	22,458,621	52,910,759
UMPI	1,423,948	4,140,609
USM	10,567,917	23,840,760
SWS Operating Departments	0	2,170,025
University commitments ¹	0	2,499,266
Computer Center	77,000	1,919,628
Chancellor's Office	0	556,188
State Appropriation	99,423,713	0
Temporary Investment Income	1,960,000	0
Planning Priorities	0	15,000,000
Funds Not Yet Allocated ²	0	23,155,543
TOTAL	<u>\$142,343,705</u>	<u>\$142,343,705</u>

¹ Includes such University-wide commitments as: External Audit & Legal Fees, Risk Insurance, Campus Maintenance Program, Campus Sabbaticals, University College of Education, University Health Professions.

² Includes collective bargaining pool and funds for employee benefits.

2. That campuses will forward to the Chancellor's Office a report, in a specified format, on how allocations will be made with the \$15 million supplemental appropriation for the information of Trustees at the July Board meeting.
3. Those programs requiring further Trustee approval before the expenditure of funds will be the subject of individual reports to the Board in conformance with a schedule and in a form to be prescribed by the Chancellor.

	<u>Revenue</u>	<u>Expense</u>
4. <u>Maine Public Broadcasting Network</u>	\$ 3,676,910	\$ 3,676,910

5. Changes in Non-Voluntary Fees - UMPI. On motion of Mr. Flanagan, which was seconded, it was

VOTED: to confirm a \$15.00 Orientation Fee and a \$25.00 Late Registration Fee at UMPI for 1986-87.

6. Gift, Grants and Awards. On motion of Mr. Flanagan, which was seconded, it was

VOTED: to accept with gratitude all gifts, grants and awards listed under the date of May 19, 1986.

7. Clarification of Policy on Endowed Chairs and Professorships. Mr. Flanagan presented the recommendation and moved its approval. The motion was seconded and it was

VOTED: to affirm that the financial requirements for gifts for named professorships and endowed chairs be those in effect as of the date of the will containing such a bequest.

8. Endowment Management. Mr. Morin reported that the Finance Committee met with the present managers of the University's endowment last March, to review the performance of the investments over the past year. At the April meeting he was asked to Chair an ad hoc Investment Committee to explore alternatives for management. Mr. Morin said the Committee now proposed that the University participate in the Common Fund which is a non-profit organization supervising investments of approximately one billion dollars for more than 250 schools, colleges and universities. He noted that Fund administrators do not manage investments themselves; they direct a number of asset management firms and monitor their performance. He said the Fund's track record has been impressive, and reported that its directors had established a fund which excludes South African holdings for institutions like the University which has elected to forego investment in that country. A question from Mr. Richardson initiated discussion of the need to insure that the Trustees discharge their responsibility for continuing oversight of the endowment. Mr. Sullivan reported that ordinarily the Finance Committee would meet with the investment managers on a periodic basis but the staff now recommends that the Investment Committee be continued for that purpose. Mr. Brown noted that the Board probably had the authority to delegate the supervisory duties but that each Trustee had fiduciary responsibility and could be held accountable whether a member of the Investment Committee or not. He suggested that each Trustee receive a condensed report from the Committee on a regular basis which would contain information about the market value of holdings, comparative gains, performance yield, etc., which he said would help satisfy the legal obligations. Mr. Sullivan said that arrangements would be made for the Investment Committee to meet on a quarterly basis and for each Trustee to receive a report of the meetings. On motion of Mr. Flanagan which was

seconded, it was

VOTED: to authorize the appointment of the Common Fund as investment managers for the University's endowment, effective July 1, 1986.

Educational Policy Committee.

9. Proposal for B.S. in Electrical Engineering, USM. Mr. Brown, Chairman of the Educational Policy Committee, reported that the Committee had held a public hearing on the proposal on May 7th in Augusta. The four-hour session was well attended and the Committee gained a great deal of information. There was no time for discussion at that session but the Committee will meet again soon to consider the testimony and the written materials that have been submitted. The new Chancellor also will be consulted on the proposal and the Committee will present its recommendations, probably at the July meeting.
10. Community College Implementation Plan. Mr. Brown reported that in response to a charge from the Board at the November meeting, Dr. George Connick had developed a proposal for a community college component for the University, with particular attention to access for older, part-time and commuter students. At Mr. Brown's invitation, Dr. Connick repeated the introductory video presentation which had preceded the Educational Policy Committee's discussion of the Plan at its meeting the day before. Following the presentation, Mr. Brown reported the Committee's recommendation that the Board accept the report and allow the next phases of the planning to go forward. Dr. Sanford added that the intent to the Committee's recommendation was to accept the report without accepting all of the recommendations within it since some of the issues need more study and further refinement. A question was raised about possibly deferring action until the new Chancellor could review the Plan. Dr. Philippi responded that the assumption was that there are needs in Maine no matter what community college model is chosen and to continue a planning process already in progress would not usurp either the Chancellor's or the Trustees' prerogatives. He said that one-time funds are in the budget for the next phase of the planning, which must take place before other judgments about the plan could be made.

VOTED: to accept the Report on the Community College Implementation Plan and to charge President Connick to begin planning the development of the community college in Maine in areas that are statewide. The particular phases of the planning to go forward at this time are:

1. Testing and assessment
2. Learning assistance
3. Establishment of System-wide Academic Council

11. Copyright and Patent Policy. Mr. Brown announced that this item would be deferred at the request of faculty who want more time to review the proposal, and it will be resubmitted for action at a future meeting.
12. Policy on Brokering Programs. Dr. Philippi reported that there are a number of brokered programs in the System but there is no mechanism for resolving misunderstandings since the Chancellor's Office has no jurisdiction over these. The proposed process was developed at the urging of the Chief Academic Officers and is intended to facilitate arrangements for such programs. On motion of Mr. Brown which was seconded, it was

VOTED: to adopt the proposal, Brokering Academic Programs:
Process and Agreement as presented.

Physical Plant Committee.

13. Hazardous Waste Storage Facility, UMO. Mr. Marshall, Chairman of the Physical Plant Committee, presented the recommendation. Miss Kirk noted that construction of the facility had already begun before Board approval was sought. Mr. Eustis explained that because of State Department of Environmental Protection requirements the University had no other option. On motion of Mr. Marshall, which was seconded, it was

VOTED: to authorize the construction of a facility on the Orono campus to provide short term storage of hazardous waste chemicals and further provide that the cost will be divided equally between the campus and the Chancellor's Office.

14. Policy on Safety in the Workplace. Mr. Marshall presented the recommendation. Mr. Richardson announced that he would abstain from voting on this issue in the event that his representation of a firm which manufactures asbestos could constitute a conflict of interest. During discussion Mr. Sullivan and Mr. Eustis responded to questions from the Trustees on this recommendation which was developed in the course of formalizing an expanded safety program within the University. Mr. Marshall moved approval of the policy and the motion was seconded. With Mr. Richardson abstaining, it was

VOTED: to adopt the policy on "Safety in the Workplace,"
dated May 2, 1986.

Personnel and Employee Relations Committee.

15. Wage and Salary Increases - Non-Represented Employees. Mr. Richardson, Chairman of the Personnel Committee, presented the recommendation and moved its adoption. The motion was seconded and it was

VOTED: to authorize the implementation of wage and salary increases for non-represented employees which are equivalent to increases granted by the collective bargaining agreements to represented employees for FY87.

16. Appointment Policy for Faculty and Senior Administrators. On motion of Mr. Richardson, which was seconded, it was

VOTED: to adopt modifications to the Appointment of Faculty and Senior Administrators policy as presented.

17. Appointment of Dean, College of Arts & Sciences, UMO. Mr. Richardson presented the recommendation which was actually intended to correct the Dean's appointment which was approved at the March meeting at a salary of \$62,000 which was submitted in error. On motion of Mr. Richardson which was seconded, it was

VOTED: to authorize the appointment of Dr. Michael C. Gemignani, as Dean of the College of Arts and Sciences and Professor of Computer Science, University of Maine at Orono, effective August 1, 1986, at a fiscal year salary of \$64,480. The appointment as Dean would be for a five-year term; his appointment as Professor of Computer Science would carry tenure.

18. Appointment of Director of Academic Computer Services, USM. On motion of Mr. Richardson, which was seconded, it was

VOTED: to authorize the appointment of Dr. Merton A. Nickerson as Director of Academic Computer Services at the University of Southern Maine, with a fiscal year salary of \$42,000.

19. Faculty and Administrator Salary Adjustments. On motion of Mr. Richardson, which was seconded, it was

VOTED: to authorize the faculty and administrator salary adjustments as presented.

20. Appointments to Positions at Salaries from \$30,000 - \$40,000. Mr. Richardson called attention to his report which is regularly submitted for information at the Board's request.

21. Appointment of Chancellor of the University of Maine System. Dr. Evans reported for the Chancellor Search Committee which, in addition to himself, was composed of Trustees David Flanagan, Thomas Monaghan and Joseph Hakanson, Chairman, and faculty members Jefferson White, UMO and Carol Ann Hall, UMPI. Dr. Evans presented the Committee's nomination and

MOVED: approval of the appointment of Dr. Jack E. Freeman, as Chancellor of the University of Maine System, effective July 1, 1986, at an annual salary of \$114,000 plus a housing allowance of \$1,000 per month.

In support of his motion, Dr. Evans said the Committee found Dr. Freeman, who is currently the Executive Vice President of the University of Pittsburgh, to be an outstanding candidate with the skills and background that are particularly appropriate to the University at this time. Mr. Flanagan said that given the recent support of the Legislature and the Visiting Committee and the evidence that the State is interested in a resurgence of quality in the institution, the nominee is optimally suited to provide the leadership the University needs to move ahead. Dr. Smith noted that while he was not on the Search Committee, he had met the candidate and discussed his qualifications with Committee members and had raised many questions which had been answered to his satisfaction. He said the salary would be perceived to be high but the candidate is well able to meet the responsibilities of the Chancellorship, and he said he would support the nomination. Mr. Brown pointed out that the Trustees are called upon to consider plans that involve millions of dollars and as lay persons the Board needed expert leadership. He said the salary level may become controversial and it would be important to recognize that given the size and complexity of the institution, there is potential for costly mistakes and the candidate has the ability and experience to meet the responsibilities of the Chancellorship. At the invitation of the Chairman, the faculty members of the Search Committee spoke to the nominee's qualifications. Professor Hall said she fully concurred with the nomination, citing the candidate's experience in academic planning and outstanding performance record. Professor White noted that Dr. Freeman had a national reputation in higher education planning in public and private institutions both large and small and that he had demonstrated his ability to forge productive relationships among the diverse groups that make up a university community: faculty, students, administrators, staff, and the public at large. There being no further discussion, the Chairman called for the vote on the motion and it was CARRIED unanimously. Mr. Hakanson thanked the Committee for its service and announced that Dr. Freeman would be available for a press conference after the meeting. Dr. Evans commended the faculty members who served on the Committee with great distinction.

22. Report of the ad hoc Committee on the Bond Issue. This Committee was formed to develop a response to a resolution from the Legislature requesting information about the capital costs of offering four-year baccalaureate programs in Lewiston/Auburn and York County, and the feasibility of designating the Augusta Campus a baccalaureate institution offering two- and four-year programs. Mrs. Schroth, Chairman of the Committee, reported that the request for information came as a result of a legislative amendment to increase the University's capital request by \$4.4 million, to be used for construction of classroom and laboratory facilities in Lewiston/Auburn to house programs administered by the University of Southern Maine. Mrs. Schroth said that earlier this month the Committee had held a public hearing on the issue which was well attended, and the testimony was discussed in an open meeting held by the Committee

yesterday in preparation for submitting its report to the Board. The report of the Committee contained the update on capital costs requested by the Legislature, and the Committee's conclusions about the educational and academic aspects of the issue. In brief, the Committee concluded that the needs of the areas in question should be considered as part of the long-term comprehensive strategy for achieving the University's objectives that will be among the new Chancellor's first responsibilities. Mr. Richardson moved acceptance of the report for transmission to the Legislature as the University response to the request for information, and the motion was seconded. During discussion, Miss Kirk expressed strong feelings that the Board should provide only the facts and figures the Legislature requested without editorializing. She pointed out that there would be an opportunity at the public hearing on the proposed legislation to express individual views. Dr. Smith observed that the issue actually was not capital funds but operating funds, and that the University would have to budget operating funds for the facility. He said he thought the University was not in a position to do that just now. Mr. Richardson was strongly in favor of stating the Board's position on the amendment in the response to the Legislature, and Dr. Sanford concurred with this view. Mr. Flanagan was opposed to seeking new investments which would require commitment of operating funds at a time when he thought the University's priority should be improving the quality of existing programs. Mrs. Schroth pointed out that the requested figures were included in the report and she believed the legislators would expect some elaboration of the Board's position on the amendment as well. After extensive discussion, the Chairman called for a vote on the motion to transmit the Report to the Legislature as the University's Response. With Miss Kirk dissenting, the motion was carried. The full text of the report is appended to the file of these minutes.

23. Report of Presidential Search Committees.

- Mr. Brown, Chairman of the Orono Search Committee, reported that the number of candidates had been reduced to four and the Committee would present names to the new Chancellor shortly.

- Miss Kirk, Chair of the Presque Isle Committee, reported that the screening process had reduced the pool to eight or nine candidates.

- Mr. Morin, Chair of the Fort Kent Committee, indicated that the search was proceeding on schedule and the Committee expected to have recommendations for the Chancellor in July.

24. Report of the Nominating Committee. Mr. Marshall, Chairman of the Nominating Committee, presented the slate on behalf of the Committee which in view of the complex times recommended no change in leadership for the coming year. On motion of Mr. Marshall, which was seconded, Mr. Hakanson, Chairman and Mr. Morin, Vice Chairman, were returned to office for another

term. Mr. Hakanson expressed his appreciation for the support of the Trustees.

25. Review of Maine Cooperative Extension Service and Maine Agricultural Experiment Station. Dr. Smith presented a proposal for review of the Extension Service and the Experiment Station. He indicated that a number of questions and concerns have been raised from time to time and the impact of federal legislation on these agencies and the escrowed funds for Extension in the supplemental appropriation make the review imperative. On motion of Dr. Smith, which was seconded, it was

VOTED: to approve the formation of an Ad Hoc Committee to review Maine Cooperative Extension Service (MCES) and Maine Agricultural Experiment Station (MAES) according to the following:

The Ad Hoc Committee will be chaired by Trustee Stewart Smith and will include Trustees Patricia Schroth, Harrison Richardson and outside consultants as determined by the Chairman in consultation with the Chancellor.

Two sub-committees will be formed by the Ad Hoc Committee. One, chaired by Trustee Richardson to review the Maine Agricultural Experiment Station and one, chaired by Trustee Schroth, to review Maine Cooperative Extension Service. Membership on the sub-committee will come from:

- client groups
- legislators
- campus administration/faculty
- county government representatives
- county agents/advisory committees/lay boards
- State commissioners
- Federal officials

Mr. Hakanson announced that the next meeting would be held in Bangor on July 21st.

Mr. Hakanson extended best wishes for the future and the appreciation of the Board to retiring Presidents Richard Spath, UMFK and Constance Carlson, UMPI.

Mr. Hakanson presented to Francis Brown from the Association of Governing Boards, a certificate acknowledging his nomination for AGB's Distinguished Service Award honoring significant contributions to higher education through voluntary trusteeship.

There being no further business the meeting was adjourned.

JoAnne R. Magill
Clerk