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Board of Trustees September 24, 1981

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UNIVERSITY OF MAINE
BOARD OF TRUSTEES

September 24, 1981
Augusta Civic Center

PRESENT: Chairman Stanley Evans, Severin Beliveau, Francis Brown, Patricia DiMatteo, Joseph Hakanson, Richard Marshall, Thomas Monaghan, Richard Morin, Ellen Platz, Harold Reynolds, Harrison Richardson and Elizabeth Russell. Absent: Alan Elkins, Maurice Keene and John Robinson. Staff: Chancellor Patrick McCarthy, William Sullivan, Robert Binswanger, and Presidents Carlson, Silverman, Spath, Woodbury, Reynolds and Philippi. Press and Public.

Chairman Evans convened the meeting. On motion made and seconded, the minutes of the meetings of July 27, 1981 were approved as distributed.

Dr. Evans took note of the recent death of former Trustee Arthur H. Benoit who served on the Board from 1957 to 1971. On behalf of the University and the Board, sympathies were extended to Mrs. Benoit and her family and a moment of silence was observed in Mr. Benoit's memory.

1. Faculty compensation. In recognition of controversy over faculty compensation which had resulted from stalled union negotiations, Chairman Evans read a statement outlining the Board's position on assertions publicized over the past several weeks that the University, its Trustees and the Chancellor were indifferent to the faculty's financial problems. The statement is recorded here in its entirety:

"Before we begin our meeting today I want to take a moment to talk about the current controversy surrounding faculty compensation. The Board of Trustees has delegated responsibility for collective bargaining to Chancellor McCarthy and he has deputized Sam D'Amico as the Chief Negotiator for the University. We have a long-standing policy of not negotiating through the newspapers and I'm not going to change that today. A certain amount of rhetoric always accompanies union negotiations. Even in a University, truth is often the first casualty in a war of words.

What I am going to answer, however, is an absurd, inaccurate, assertion which has gained currency in recent weeks. That is the assertion that the University, the Trustees, the Chancellor, do not care about the faculty or their financial problems.

That simply is not true. We have a fine faculty here. We are proud of it. It is the heart and soul of the institution.

At every campus our faculty on the average, are paid less than the average salary at similar institutions elsewhere in the country. This is not, of course, a recent development. It

has been a characteristic of this University for many years. It was made worse back in 1976 when there was no salary increase for faculty or anyone else in the University.

Members of the Board, past and present, have traveled to Augusta with the Chancellor several times each year to testify before appropriations committees or to meet with state officials. On each occasion we have stressed the importance of increasing faculty salaries and have shown where our faculty rank nationally. Over the past five years we have succeeded in obtaining funds for an annual salary increase averaging 8%.

However, this annual 8% increase has only been possible by also raising tuition. The trustees raised tuition by 15% this past year, and it is likely we will have to do so again next year in order to meet our biennium commitments. In fact over the last five years student tuition at the University of Maine has risen 87%.

We have used these funds principally to assist our employees to keep up with inflation. We have not expanded programs or built new buildings. We have concentrated on employee compensation. We have an excellent fringe benefit program with health and life insurance largely paid by the employer, and faculty and other employees can have half of the University tuition waived for their children. Recently we have used some of our funds to provide health and pension benefits for retired faculty and other retirees.

The University administration has the difficult task of making scarce funds cover many separate needs. The faculty is vital but there are other financial commitments that also must be met. We have to be concerned about the wages of University employees other than faculty, many of whom are seriously underpaid when compared to those who do similar work even here within Maine.

Furthermore we must continue to manage our funds so that we retain the confidence of the people of Maine and their elected representatives.

I'm sure I speak for the full Board in expressing my hope that negotiations can be brought to a conclusion soon. It is natural that emotions will rise when important matters are being fought out at the bargaining table. While this process continues the day to day business of the University should most certainly go on."

2. Non-represented Personnel, Wages/Salaries. At the request of the Chairman, Chancellor McCarthy introduced a presentation by Vice Chancellor William Sullivan concerning proposed increases for non-represented employees. This group numbers approximately 550 and is comprised of employees who are not in bargaining units, or who are in units not represented by a union: University supervisors; confidential employees excluded from bargaining units; non-represented administrators, and Law School faculty. Mr. Sullivan noted that, traditionally, salaries for

such employees are recommended at the time ratified union contracts are submitted for Board approval. Since there has been some delay in the collective bargaining process with two of the largest unions having elected to go to fact-finding, Mr. Sullivan said the administration recommended that non-represented employees not suffer further delay, and proposed an 8% increase for this group for the current year. The preliminary budget for next year includes a 9% increase for this group in the second year of the biennium. Mr. Sullivan stated that the proposed increase would not apply to Campus Presidents, Vice Chancellors or the Chancellor, whose compensation is normally considered by the Board in December. Since the Board has expressed concern regarding escalating salaries for administrators, it was further recommended that the increase be capped at \$45,000.

Mr. Sullivan presented a summary of the University's fiscal position for this year. He reported that increased funds from the State appropriation, from tuition, and from other revenue sources (which include earned interest and indirect cost recovery) totaled \$7.1 million. He also reported that increased costs for inflation in goods and services and for employee benefits, would reduce this total by \$2.4 million, leaving a pool of \$4.69 million available for compensation increases. He pointed out that the compensation pool would be reduced further by the recently approved settlement with service and maintenance employees, and by the proposed increases for non-represented employees, if approved by the Board. A balance of \$3.2 million would then be available for settlement of contracts with represented employees for whom negotiations are still in progress, specifically: faculty; professionals; police and security; and clerical, office and laboratory personnel. As a point of reference, Mr. Sullivan indicated that if all remaining units were treated equitably, available funds would translate to an 8% increase.

During discussion Mr. Sullivan responded to specific questions from the Trustees concerning the University's financial practices and it was determined that certain perceptions held by some University constituents were inaccurate. Specifically:

- all monies available for compensation increases are accounted for in the E & G budget; there is no additional source of funds from which the compensation pool could be enlarged;
- interest earned on the University's working capital, (i.e. the State appropriation and tuition funds between the time they are received and the time they are expended) is included in the E & G budget where it is identified on revenue statements as "other revenue;" these dollars are not secreted or reserved for special purposes;
- revenue from the recovery of indirect costs of grant and contract administration will amount to approximately \$1.4 million this year. In accordance with University policy, 80% of this money is available to the Campuses for off-budget expense; 20% is utilized for central administrative services, and these funds are identified in the revenue statements under "other revenue;"

- concerning a constituent's question about central system budgeting for "...bricks, asphalt, new administrative positions..." no administrative positions have been added at the system level, and the number of such positions is in fact lower than it was five years ago. At the Campus level, administrative positions are the responsibility of the Campus. No new E & G buildings have been constructed for several years. Plant repairs have been funded from a maintenance reserve established by the Board three years ago in order to give some attention to deteriorating facilities; federal matching funds and energy bonds have enabled the University to undertake some energy-saving modifications.

Mr. Sullivan also noted that Campuses have access to funds under the incentive budgeting program, which he said was designed to eliminate the "use it or lose it" philosophy. This program provides for Campus use of any savings which can be effected in budgeted expense. Eighty percent of a Campus's savings is available to that Campus for discretionary use; 20% of the savings remains on campus in its maintenance reserve.

In response to a question from Mr. Brown, the Chancellor reported that compensation increases have averaged 8% over the past five years. He noted that University salaries have remained about a year behind comparable salaries elsewhere, since 1976 when no increases were available for University personnel. After further discussion and on motion of Mr. Morin, which was seconded, it was

VOTED: to authorize the Chancellor to increase the compensation of non-represented groups by 8% for the current fiscal year, such increases to be capped at \$45,000.

3. Collective Bargaining. Chairman Evans called for the report on collective bargaining activity. He noted that since it was inappropriate for the Board to be involved in the day-to-day activities, responsibility for supervision of the bargaining function has been delegated to the Chancellor, who is aware of the parameters which have been set up in discussions by the Trustees. Dr. Evans indicated that he was satisfied that the staff is carrying out their responsibilities within the Board's parameters. In view of the misinformation which has been circulating recently, Dr. Evans said the status report, which is ordinarily referred to executive session, would be discussed in public for this meeting. To initiate discussion, Mr. D'Amico, Associate Vice Chancellor for Employee Relations, reported:

- negotiations will be opened shortly for a one-year extension of the contract with Service and Maintenance employees;
- Police Unit - a joint fact-finding request is being prepared; a limited number of issues will be presented, primarily concerning scheduling and salary;

- Clerical Unit negotiations are proceeding slowly toward agreement on the Unit's first contract;
- Professional Unit - a request for fact-finding filed by the union has been delayed by mutual agreement of both parties, subject to resolution of certain outstanding issues;
- Faculty Unit - fact-finding procedures conducted under the rules of the Maine Labor Relations Board were begun this morning in Bangor and no further information was available as yet.

There was discussion of the negotiations with AFUM on behalf of the Faculty Unit. Mr. Richardson said that while these negotiations are perceived by the public as simply an argument over money, there are in fact many other issues under discussion which infringe upon the basic jurisdiction of the Board. In response to questions from the Trustees, Mr. D'Amico elaborated on the non-economic demands which remain unresolved. Among others, these included:

- proposal for a unit member approved by the union to serve on all Trustee committees, present and future;
- proposal to allow individuals to remove material from their personnel files which they consider inappropriate, the burden of proving its validity to rest with the University. In response to a question, Mr. D'Amico reported that no individuals have been denied access to personnel records under the present policy since the provisions of the present policy, in combination with provisions in the statutes, are very liberal;
- proposal that would make service to the union one criterion for evaluation of faculty performance;
- proposal that would limit student evaluations to statistical data unless the faculty member agrees to the use of other documentation in the evaluation process;
- proposal for mandatory union membership, or payment of a representative fee as a condition of employment;
- proposals to allow an arbitrator to award tenure, and exercise academic judgment;
- proposal for tighter union control of hiring practices.

During discussion, Mr. Richardson stated his position that many of the union demands would represent a relinquishment by Trustees of responsibility for the University, and that he considered many of these demands unsupportable. He pointed out that rhetorical criticism of the Board was not helpful and suggested that attention should focus on cooperative efforts to meet the salary problems. Mr. Monaghan said he thought some recent

activities on the part of the faculty's supporters were in bad taste and not conducive to good relations between the faculty and the Board. He said he objected to being vilified by faculty, parents and students as unresponsive, or as insensitive to faculty salary problems. Mr. Monaghan inquired whether it would be legally possible to require that any further negotiations on these issues take place in public. Mr. D'Amico pointed out that it would be unusual to reopen negotiations while the fact-finding process is underway but there would be no legal obstacle to doing so, assuming that both parties agreed to the reopening, as required by law. After further discussion, Mr. Monaghan moved that with reference to the faculty contract currently under negotiation with AFUM, if there are to be any further negotiations, that such negotiations take place in public until further action by the Board indicates the Board's intention that they should be private. The motion was seconded. To clarify the intent of the motion, Mr. Monaghan said he recognized that public negotiations would require the consent of both parties and emphasized that the proposed action would apply only to AFUM and only for the contract now pending. He indicated that the effect of public negotiations would be to counteract the public's misperception of the Board's position and provide a clearer understanding of the range of issues. He pointed out that the Trustees are in agreement that faculty salaries are too low. He indicated that the Trustees must, however, consider the financial realities of the situation. During discussion, Mr. Reynolds said he thought it would be unlikely that mutual agreement for public negotiations would be realized but he concurred that public disclosure of the issues would be most desirable to eliminate misinterpretation of the University's position. He suggested that the Trustees seek to identify publicly the content of the issues presented to the fact-finding panel and indicate the Board's position on each of these issues. After further discussion and with the concurrence of the seconder, Mr. Monaghan withdrew his motion, in favor of a related motion by Mr. Reynolds. On motion of Mr. Reynolds which was seconded, it was

VOTED: that, concerning the impasse with the faculty contract, those issues brought before the fact-finding process be publicly presented, and the position of the Board on each issue publicly stated.

On motion of Mr. Richardson, which was seconded, it was

VOTED: that, the Personnel and Employee Relations Committee, assisted by the Associate Vice Chancellor and University Counsel, review the current law governing the University's dealings with the faculty union, and submit a report to the next meeting of the Board.

Mr. Beliveau said he thought that the Board's discussion of the non-economic issues had been healthy. To avoid any further misunderstanding concerning the economic issues, he recapped the University's financial situation, noting specifically that after commitments have been met for Board-approved contracts and settlements, including the action taken today, a pool of funds in the amount of \$3.175 million remains for

settlement of contract negotiations which are still in progress. Mr. Beliveau added that the available funds would translate to an 8% across-the-board increase in salaries or wages and benefits, assuming that all remaining units are treated equitably.

Dr. Evans opened the floor for comments from the Campus Presidents. The Presidents concurred that the Board's discussion of the bargaining issues had been productive, both for its reiteration of commitment to the faculty, and for its clarification of the University's position on the range of issues involved in the negotiations. Mr. Brown pointed out that the issue which remains to be addressed is how to obtain increased funding for the University in the future, noting that a successful system must be developed in view of the competition for limited resources in an era of dwindling federal support. He reported that on one occasion faculty union representatives had appeared at a hearing on the University's appropriation, seeking to have the Legislature deny the University's request as a means to force the institution to make the union a financial offer. Mr. Brown said the union's perennial requests that the University negotiate its contracts before its appropriation has been determined, attempts to place the burden of funding salary increases on the Legislature. He pointed out that unlike the rules which govern state employees whose contracts are negotiated subject to funding, the University is bound by its contractual negotiations. If the money to meet these contractual obligations is not forthcoming from the Legislature, the only other source of revenue available to the institution is from student tuition. He said it would be important to focus on the basic issue of increased funding for the University and, to this end, conflict between the unions and the University is non-productive. Mr. Beliveau concurred with Mr. Brown indicating that there will be no quick remedy for limited funds, and suggested that while prospects for increased appropriations were poor for 1982, there will be time to plan for the 1983 biennium. Mr. Monaghan said he wanted to record his support for and approval of the manner in which the Chancellor and the staff have dealt with the bargaining process to date.

In accordance with a commitment made in the Executive Committee session earlier in the day, Chairman Evans invited comments from any of the elected faculty or student representatives who serve on Board committees. Mr. Spellman, student representative from UMO, said the discussion of the University's position on bargaining issues had been productive and that it was now obvious that the negotiations involved a number of issues in addition to money. With respect to the timetable of the bargaining process, he noted that a tuition increase had been approved by the Board and the University's appropriation had been approved by the Legislature, both actions occurring prior to reaching an agreement with the faculty. He suggested that, in the future, the bargaining process should be completed and the needs made known before decisions are made to ask either students or the Legislature for more money. Mr. Beliveau pointed out that the University's having negotiated contracts wouldn't change the outcome of the Legislative appropriation process. Mr. Spellman said he thought the united support of the University and its constituents would be effective. In response to questions from Trustees, he said he was now satisfied that there is no more than \$3.1 million available for unsettled contracts this year, and he acknowledged that the issues, as presented by faculty supporters at UMO, had been limited to the financial question only. Professor Doty, faculty representative from UMO, pointed

out that the faculty's demands are all bargainable. He suggested that the University should have negotiated a contract based on the recommendations in the Hay Associates Report and updated for inflation, and should have completed the negotiations in time for the union and the administration to approach the Legislature together. Professor Doty reported that University faculty salaries rank 50th in the nation, a record which he said would soon impact on the quality of the institution. He said the faculty are really asking to be moved quickly and decisively to 40th place and if that goal could be achieved, a great many of the problems perceived by Trustees in the faculty's demands could be resolved. Mr. Richardson indicated that some of the non-economic demands are wholly inconsistent with the responsibilities of a public Board and he asked how Trustees might separate those issues on which there is disagreement between the two parties. Professor Doty suggested that Trustees participate in instructing the negotiating team and give the team the freedom to bring in the best contract they can. In response to questions from Mr. Monaghan, Professor Doty said he would not suggest raising tuition or closing campuses to meet demands for increased compensation. Rather, he suggested that the Trustees consider a request for a supplemental appropriation from the Legislature, pointing out that the State anticipates a \$25 million surplus this year. Mr. Monaghan and Mr. Richardson reiterated that the Trustees do in fact vigorously and repeatedly pursue legislative funding for the University and its faculty. Mr. Brown said it was not realistic to believe that the Legislature would be forced to appropriate more money in order that the University could meet the commitments of negotiated contracts, and he called for some constructive suggestions for working together to achieve both parties' mutual objectives. In conclusion, Mr. Reynolds reported that competition for the anticipated \$25 million State surplus will be intense given the loss of federal funding that will create a shortfall of \$45 million in the Department of Human Services alone. Dr. Evans thanked the Presidents and the representatives for their comments.

Following a brief recess for lunch, the Chairman reconvened the meeting.

4. Option in Business Computer Programming. Mr. Brown, Chairman of the Educational Policy Committee, presented the recommendation for approval of the Option which had been reviewed by the University's Program Planning Review Committee. During discussion, Dr. Russell expressed approval for transferability provisions incorporated in this program and stressed the need for attention to improving transferability of other two-year programs in the system, wherever possible. On motion of Mr. Brown which was seconded, it was

VOTED: to approve the Associate Degree Option in Business
Computer Programming as submitted by the University
of Southern Maine.

5. Discontinuation of Program, UMF. Mr. Brown presented the recommendation for discontinuation of the two-year program in Instructional Media Technology at UMF, as requested by the Campus. The proposal had been thoroughly reviewed by the University-wide Committee and Mr. Brown reported that

termination would be phased in order that no one currently enrolled would be affected adversely. On motion of Mr. Brown which was seconded, it was

VOTED: to approve the request to discontinue the Associate of Science Degree Program in Instructional Media Technology, effective September 1, 1982, as submitted by the University of Maine at Farmington.

6. Mr. Brown called attention to the General Procedures for Program Discontinuance which was included with materials for the Board meeting, for information. He noted that the Procedures constitute a process by which the Campuses can initiate action to eliminate unproductive programs and that such elimination, where appropriate, is an essential part of the management of the University.

7. Winter Harbor Naval Station. Mr. Hakanson, Chairman of the Finance Committee, presented a recommendation for approval of a special tuition rate for a schedule of courses provided by the Bangor Community College for U.S. Navy personnel at Winter Harbor. On motion of Mr. Hakanson, which was seconded, it was

VOTED: to approve a tuition rate of \$50 per credit hour for the Winter Harbor Naval Station program of the University of Maine at Orono.

8. Gifts, Grants and Awards. In presenting the recommendation for acceptance of gifts, Mr. Hakanson invited President Silverman to brief the Trustees on a substantial and important gift which has been offered to the University of Maine at Orono. President Silverman announced that Mr. & Mrs. Curtis Hutchins have jointly pledged a gift of one million dollars to be paid over the next four years. The funds are to be used to institute programs, support development of professorships, establish courses, and undertake other activities which will improve the quality of the Campus's forestry programs. President Silverman said it was hoped that this gift, together with other resources, will enable UMO by the end of the decade, to be one of the nation's leaders in this area of education. He reported that Mr. & Mrs. Hutchins have made testamentary arrangements for payment of the pledge and he said the Campus will be working to insure that this magnificent gift will be used in the best possible way.

Mr. Hakanson took note of several other substantial gifts to UMO, from the paper industry and from the University of Maine Foundation. Mr. Brown commented on the Marcus Scholarship Fund which he said was somewhat unique in that it focused on the University system rather than on a particular Campus. He pointed out that the Board will be responsible for developing a system for awarding the scholarships and suggested that the Educational Policy Committee be asked to develop some appropriate recommendations. Mr. Brown noted that other Campuses in the system are also in need of scholarships and that the Trustees invite prospective donors to consider scholarships which could be awarded on a systemwide basis. On motion of Mr. Brown, which was seconded, it was

VOTED: that the Educational Policy Committee develop recommendations for criteria for administration of University-wide scholarships.

Mr. Hakanson moved acceptance of the gifts and grants and the motion was seconded. Mrs. DiMatteo suggested that the Board consider formal recognition of the Hutchins family and President Silverman was asked to develop recommendations. There being no further discussion, it was

VOTED: to accept with gratitude all gifts, grants and awards listed under the date of September 24, 1981.

9. Hilltop Physical Fitness Center, UMO. Mr. Richardson, Chairman of the Physical Plant Committee, presented the recommendation for expansion of health facilities at UMO. During discussion, Dr. Aceto, Vice President for Student Affairs at Orono, responded to questions of interest from the Trustees. On motion of Mr. Richardson, which was seconded, it was

VOTED: to authorize the construction of Health Club facilities in the basement of Oxford Hall on the Orono Campus and further authorize the transfer of \$38,000 from the Residence and Dining Operating Reserve to an appropriate plant fund account to cover the project's costs.

10. Sculpture Studio, UMO. On motion of Mr. Richardson, which was seconded, it was

VOTED: to authorize the renovation of the basement of the Agricultural Engineering Shop Building for a Metal Sculpture Studio, and further authorized the transfer of \$37,340 to an appropriate plant fund account to cover the project's costs.

11. Mr. Richardson called attention to the status report on capital construction projects and major plant repairs which was included in materials for the meeting for information.

12. Vice President for Finance and Administration, UMO. Mr. Morin, Chairman of the Personnel and Employee Relations Committee, moved the recommendation, which was seconded and it was

VOTED: to authorize the appointment of Dr. John D. Coupe as Vice President for Finance and Administration at the University of Maine at Orono effective October 1, 1981. The base salary for the position will be \$38,056 plus a stipend of \$3,600.

13. Chairman and Professor of Chemical Engineering, UMO. Mr. Morin presented the recommendation for the appointment of Dr. Ivar H. Stockel. President Silverman briefed the Trustees on the national search

noting that financial support from the Pulp and Paper Foundation had been instrumental in attracting a highly qualified candidate. On motion of Mr. Morin which was seconded, it was

VOTED: to authorize the appointment of Dr. Ivan H. Stockel as Professor and Chairman of Chemical Engineering at the University of Maine at Orono effective November 1, 1981. The base salary for the position will be \$39,000 plus a \$6,000 stipend for the five-year appointment.

14. Associate Professor of Veterinary Sciences, UMO. Mr. Morin presented the recommendation for the appointment of Dr. Don D. Stimpson, who currently holds the rank of Professor of Biology at the University of Maine at Presque Isle. During discussion, Mr. Monaghan spoke to the candidate's qualifications, and responded to a question concerning the proposed salary level. Chancellor McCarthy pointed out that the Stimpson appointment marks the first instance the Board has been asked to approve a transfer of tenure within the system, as provided in the tenure guidelines. On motion of Mr. Morin, which was seconded, it was

VOTED: to authorize the appointment of Dr. Don D. Stimpson as Associate Professor of Veterinary Sciences with tenure at the University of Maine at Orono effective October 1, 1981. The fiscal year salary for the position will be \$33,000.

15. President, UMPI. On motion of Mr. Morin which was seconded, it was unanimously

VOTED: to authorize the appointment of Constance H. Carlson as President of the University of Maine at Presque Isle at an annual salary of \$45,000, effective September 24, 1981, with the standard benefit package previously established for presidents.

Chairman Evans extended best wishes to Dr. Carlson on behalf of the Trustees.

Dr. Hilton Power, President of the host Campus announced that the UMA staff would forego their planned presentation in view of the heavy agenda. On behalf of the Board, Dr. Evans thanked the UMA staff for their hospitality.

Chairman Evans announced that the next meeting of the Board would be held in Bangor on October 26th. On motion made and seconded, the meeting was adjourned.

JoAnne R. Magill
Clerk