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

Projects with a Value of $250,000 or Greater. Dr. David Demers, Chief Information Officer, provided information on the following projects with a value of $250,000 or greater. Classrooms for the Future project completion has increased from 66% complete in April to 77% percent complete in May. A total of 87 classrooms are scheduled to be completed this Summer. The vendor/facilities walk-throughs are complete and equipment has been ordered. Installations have been scheduled at all campuses. The Wireless Infrastructure project completion has not changed from being 56% complete since April. This non movement is due to focus on administrative details such as budgeting and ordering of materials. Planning is ongoing for summer work at UMF, UMM, UMFK, UM, and UMPI. Survey flyers with a Quick Response (QR) code were placed in the areas where the wireless infrastructure has been upgraded on campuses and approximately 217 people responded to the survey. Most people answered that the upgraded wireless service was in the excellent range.

The Human Resources (HR) Upgrade project completion increased from 67% complete in April to 90% complete in May. This project will upgrade the UMS PeopleSoft (MaineStreet) Human Capital Management (HCM) system and the HCM PeopleTools system. Go-live for the upgrade occurred on June 12, 2018. Notification and information was provided to the UMS community along with training materials. An additional $196 thousand is needed to cover the project shortfall and the Testing as a Service subscription. The MaineStreet Improvements project increased from 15% complete in April to 20% complete in May. Pre-planning for an accelerated Campus Solutions 9.2 upgrade project has begun. Next steps are to complete migration, leverage embedded tools, leverage an improved user interface, and inventory the current catalog of customizations to the platform.

Appropriation Allocation Model. Mr. Ryan Low, Vice Chancellor for Finance and Administration & Treasurer, presented the proposed Appropriation Allocation Model for the University of Maine System. The Allocation section of the final Unified Budget proposal recommends that the UMS
transition to a new funding model that recognizes costs in the distribution of State appropriation. This recommendation was adopted by the UMS Board of Trustees in September of 2016. At that time an Allocation Team was formed to develop a State appropriation model that distributes new appropriation funds to campuses based on the principle of peer cost comparisons. This allocation model is only for new appropriations from the State. The total appropriation a campus currently receives will not be redistributed to another campus, only new appropriation will be distributed through the model. Parity is the key concept of this model as calculations are performed to determine the percentage that each UMS university is under-funded or over-funded as compared to the calculated needed State appropriation. The goal is to distribute new appropriation to the UMS campuses based on the percentage of their current unmet need. The institution with the highest percentage of unmet need will receive the highest percentage of any new appropriation. Conversely, the institution with the lowest percentage of unmet need will receive the lowest percentage of any new appropriation. This is a formula-driven model used to calculate the State appropriation required to support an institution’s Education and General (E&G) operations. This model accounts for the E&G operating costs that are impacted by student enrollment as well as other factors such as the number of employees and the asset value at individual campuses.

The foundation of the model is based on comparative peer data. The UMS contracted with the Hanover Research Council LLC to provide a choice of peer institutions for each university. Each UMS university then selected peers for their institution to be used in the allocation model. The model is based on considering three-year rolling cost averages for specific expense categories and applicable measurement factors. The Allocation Team determined that the most reliable and concise source of data is the National Center for Education Statistics (NCES). NCES is the primary federal entity for collecting and analyzing data related to education in the US. NCES fulfills a Congressional mandate to collect, collate, analyze, and report complete statistics on the condition of education and conduct and publish reports. NCES utilizes the Integrated Postsecondary Education Data System (IPEDS) to collect and report data. IPEDS is an interactive tool, thereby allowing UMS to download a host of data for single or multiple institutions of higher learning. Hanover Research also used IPEDS to prepare the analyses utilized by the campuses to select the most appropriate peer. Based on the peers selected by each university, a dataset was constructed using IPEDS Human Resources, Financial, and Enrollment data for the 3 most recent fiscal years posted to IPEDS.

The most recent IPEDS data will be input into the Model on an annual basis. In April of each year, IPEDS posts provisional data for the latest fiscal year reported. When calculating the FY2020 appropriation allocation, the calculation of parity will be based on provisional cost information for FY2016 and final data for FY2015 and FY2014. When calculating the FY2021 appropriation allocation, the calculation of parity will be based on provisional cost data for FY2017 and final data for FY2016 and FY2015. In situations where State appropriation is reduced, the System will explore the utilization of Budget Stabilization, Temporary Investment Income, or other sources of centrally held funds to mitigate the curtailment.

The Committee expressed appreciation to the Allocation Team members for the dedication and hard work on this model.

On a motion by Trustee Fournier, which was seconded by Trustee Collins, the Finance, Facilities and Technology Committee agreed to forward this item to the July 16, 2018 Board of Trustees meeting for approval of the following resolution:
That the Board of Trustees accepts the recommendations of the Finance, Facilities and Technology Committee and approves the Appropriation Allocation Model as presented.

**Short Term Housing, UMA.** UMA President Rebecca Wyke, UMA Chief Business Officer; Mr. Tim Brokaw, and UMA VP for Enrollment Management & Marketing; Mr. Jon Henry provided information to the Committee about a recently issued request for proposal (RFP) to enter into a near-term master lease for furnished student residential units within a building or adjacent buildings proximate to its campus in Augusta, Maine. The RFP was issued to solicit proposals to provide a Short Term Lease of Furnished Student Housing for up to 20-50 residential beds in facilities within a 25 minute drive of the Augusta campus. Board of Trustee Policy 801 requires Trustee approval for any lease of more than 5 years duration and $100,000 in value. The proposed lease(s), at a maximum, would have a duration of up to 5 years (plus renewal options) and a cost of $2.4 million. While the projected cost will be offset by projected revenue, the scope of the lease(s) requires Trustee consideration pursuant to Board policy. This is presented as an information item and as additional information is available it will be an action item for the September Finance, Facilities, and Technology Committee meeting.

Student housing is part of the UMA Master Plan, which was approved at the May 2018 Board of Trustees meeting. UMA student housing would support growth in key academic programs including aviation, architecture, music, and nursing.

**EDA Hatchery Building, Roof Replacement, CCAR UM.** UM Chief Business Officer Claire Strickland provided an overview of a request to authorize UM to expend up to $562,000 to replace the roof on the EDA Hatchery & Business Development building at the Center for Cooperative Aquaculture Research (CCAR) in Franklin, Maine. This request is pursuant to Board Policy 701, which requires projects with a total cost of more than $500,000 to be considered by the Board of Trustees or its Finance, Facilities and Technology (FFT) Committee.

In this case, the request is within the purview of the FFT Committee. The project involves the replacement of the metal roof, insulation and underlayment as well as some of the trusses on the 300’ X 80’ building. During investigation of the existing roof, it was discovered that moisture from aquaculture operations within the building was accelerating deterioration of the trusses and underlayment. The project is intended to replace failing wood components and provide a complete air/vapor barrier, additional insulation and a new roof membrane. The project should result in improved energy efficiency with the additional insulation barrier and it should also result in an improved (expected) roof lifespan of 20-30 years, while also reducing operational disruptions and safety risks related to the leaks.

Trustee Committee members raised questions concerning the possible retribution from the original contractor of the EDA Hatchery building, as the roof has prematurely failed. Trustee Committee members also raised concerns that if measures weren’t taken to mitigate any ventilation issues, there could be damage to the new vapor barrier that is being installed. Executive Director of Facilities and Capital Management Services, Mr. Stewart Harvey stated that there are no problems with ventilation to the building and there should not be any issues with the new vapor barrier or roof.

On a motion by Trustee Erwin, which was seconded by Trustee Fournier, the Finance, Facilities and Technology Committee approved the following resolution, as amended.
The Board of Trustees, acting through the Finance, Facilities and Technology Committee, authorizes the University of Maine to expend up to $562,000 in campus E&G Reserves for the replacement of the roof of the EDA Hatchery building at the CCAR located in Franklin, Maine, with an update to the Board at the July 16, 2018 Board of Trustees meeting encompassing information on possible legal actions for retribution due from the original contractor of the EDA Hatchery building.

**Capital Project Status Report.** Trustee Turner referenced the Capital Project Status Report that was provided in the meeting materials and asked the Committee if they had any questions. No questions were raised.


Adjournment.

Heather A. Massey for
Ellen N. Doughty, Clerk