

# UNIVERSITY OF MAINE SYSTEM

Board of Trustees Meeting  
at the University of Maine System  
Rudman Conference Room, 253 Estabrooke Hall, Orono

February 26, 2020

## **Finance/Facilities/Technology Committee**

**Present: Committee Members:** Mark Gardner, Chair; Timothy Doak (at UMPI), Gregory Johnson (at USM), James Donnelly, Trevor Hustus (at USM), James Erwin (at USM), and Kelly Martin (by phone). **Chancellor:** Dannel Malloy. **Presidents:** Becky Wyke (at UMA), Joan Ferrini-Mundy, Tex Boggs (at UMFK), Ray Rice (at UMPI), Edward Serna, and Glenn Cummings (at USM). **Faculty Representative:** Patti Miles and Clyde Mitchell (at UMF). **System Staff:** Ryan Low, Heather Massey, Robert Placido, Chip Gavin (at USM), Miriam White, James Thelen, David Demers, Dan Demeritt, and Tracy Elliott. **Other Participants:** Claire Strickland, Ben Shaw (at UMPI), Carolyn McDonough, Pam Ashby, Buster Neel (at UMA), Nancy Davis Griffin (at USM), Dana Humphrey, George Kinghorn, Jeff Mills, Habib Dagher, Jason Charland, Barb Blackwood (at UMPI), Alec Porteous (at USM), John Henry, Emily Morris-Sightlines (by Zoom), and Laurie Gardner.

**Committee Members Absent:** Samuel Collins, Trish Riley, and David MacMahon.

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

**Projects with a Value of \$250,000 or Greater.** Chief Information Officer Dr. David Demers provided information on projects with a value of \$250,000 or greater.

The Classrooms for the Future project completion has increased from 96% in January 2020 to 98% complete in February 2020. The revised budget of \$4.945 million for the project reflects the additional \$582,730 allocation provided from project contingency funds, which has allowed for additional sites and rooms to be included in the project. The majority of final work scheduled was completed during Winter break. Partially complete rooms still remain at USM, UMFK and UMPI and are scheduled to be completed during Summer 2020. Final room scoring/assessment, including Winter break work, is scheduled to be completed by mid-Spring. UMS has received \$500 thousand grant from the USDA through the Distance Learning and Telemedicine Grant Program administered by the Rural Utilities Service (RUS). Grant funds will replace ITV and Polycom equipment in 62 locations across the State. There is still high anticipation for additional funding to complete the full series of projects.

The Wireless Infrastructure project completion has increased from 94% complete in January 2020 to 96% complete in February 2020. The revised budget of \$13.2 million reflects the additional \$415 thousand in contingency funds that will be infused back into the project. A revised schedule has been developed with USM facilities management to complete cabling by June 2020. Projects at UM and USM have recently been completed. Current work includes several additional projects at USM. UMS will have to maintain parallel wireless networks for a period of time due to phased funding. There is high anticipation for additional funding to complete this effort.

The MaineStreet Improvements project report shows that the Campus Solutions (CS) upgrade to move from version 9.0 to version 9.2 is 100% complete and the Peoplesoft User Experience (UX) enhancement project increased to 22% complete as of February 2020. Both of these projects work in tandem to enhance the overall core Peoplesoft environment that the UMS students, faculty, and staff use on a daily basis. The upgrades will make the program much more mobile friendly and add additional automations. All components of the 9.2 upgrade were successfully completed and the project is officially closed. UMS IT is finalizing a plan to utilize a project surplus of (\$436,064). The UMS IT UX Enhancements Project Team is engaging with a broader group of stakeholders for functional analysis of the platform and fit/gap sessions are continuing. The new test environment build and the latest software release upgrade have both been completed. UMS IT has weekly meetings with the vendor to discuss technical issues. There is still some concern about managing change in navigation and the interface for the MaineStreet environment.

The VoIP Implementation Project for UMF, USM, and UMPI are underway. The project is currently 57% completed at UMF, 48% completed at UMPI and 8% completed at USM. At UMF 60% of phones have been migrated from the legacy Avaya system and installation of electrical circuits have been completed. The additional infrastructure cabling required for Merrill, Admissions and Franklin Hall has been approved. At UMPI infrastructure upgrades to support VoIP deployment have been approved and UMS IT expects deployment of VoIP for these buildings by early Summer. At USM the newly approved construction plans will dictate the VoIP deployment schedule. The VoIP project will support the portability of USM staff relocations and will require coordination for competing resources. Two areas of concern are the on-going probability of future failures of legacy phone systems at UMF/USM and the poor network infrastructure on both campuses posing challenges to the project timeline.

The Brightspace Learning Management System (LMS) Implementation project with a budget of \$1.61 million, is 30% complete as of February 2020. Brightspace from Desire2Learn will replace Blackboard Learn, the current UMS LMS, with a modern, mobile friendly, cloud-based platform. Blackboard Learn will remain as the default LMS through Summer 2020 with full deployment and conversion of courses to the Brightspace platform to coincide with the start of the Fall 2020 term. Recently completed work includes testing of course migration tools, single sign-on configuration, and integration of over 20 third-party plug-ins such as Zoom and Kultura. 88 live courses from UMA, UMPI, UMF, and USM were successfully launched for Spring 2020. Current work includes finalizing data architecture to better support reporting and analytics and completion of API-based integration between MaineStreet and Brightspace. A few concerns are the very aggressive timeline for completion and the desire for campuses to add new functionality within the current project scope.

The Backup Electrical Generator Project with a budget of \$400 thousand was completed in February 2020. The project was comprised of installation of backup power generators at five UMS locations to ensure fiber path redundancy and resiliency for the optical network. The UMS sites included UMF, UMPI, UMF, the Hutchinson Center, and the Houlton Center.

### **Renovation to Create Nursing Lab, UMPI**

UMPI Chief Business Officer, Mr. Ben Shaw provided information about UMPI's request to expend up to \$800,000 to construct a Nursing Simulation Lab in an existing lecture hall in the Folsom Hall building on the Presque Isle campus, to be funded by the 2018 Facilities and Infrastructure Improvement Bonds. The project would renovate 1,800 square feet of existing space in Folsom Hall to create a new Nursing Simulation Lab. In an effort to best meet workforce needs for healthcare

providers in Aroostook County and to help address the statewide nursing shortage, UMFK and UMPI collaborate to provide a two-plus-two Bachelor of Science in Nursing (BSN) degree program. The collaborative program, started in fall of 2018, is designed for those who are not able to travel to Fort Kent to complete a Nursing degree due to family and work responsibilities. The addition of this lab space will allow UMPI to support the upper level coursework of the UMFK Nursing program. Specifically, this renovation will transition the existing lecture hall space into a seven-bed lab that will be split between a three-bed simulation lab and four-bed nursing instructional space. Current enrollment levels of this program are 20 students at the sophomore level and 20 students at the freshman level. Enrollment projections going forward are 40 freshman students to be added in the Fall of 2020. By Fall 2021, cohort levels are expected to be 40, 32, 20 and 20 respectively. In total, with the renovated lab, this program plans to enroll and retain 110 to 120 students.

Construction costs for this renovation are estimated at \$579,989, with initial equipment costs estimated to be \$220,011, bringing total estimated project cost to \$800,000. There are additional equipment needs that will be phased in over coming years as the program grows. Additional external funding options, such as grants to assist in purchasing certain equipment, will be pursued during that time. The current project schedule, if approved, has final design, which is in progress, being complete by March 2020, construction bidding occurring in April 2020, construction starting in late May 2020, substantial completion and occupancy by August 2020.

On a motion by Trustee Donnelly, which was seconded by Trustee Doak, the Board of Trustees, acting through the Finance, Facilities and Technology Committee, authorized the University of Maine System acting through the University of Maine at Presque Isle to expend up to \$800,000 from 2018 bond funds to create a nursing simulation lab through the renovation of existing space in Folsom Hall on the Presque Isle campus.

### **Fitness Equipment Purchase and Space Renovation, USM**

USM Chief Business Officer, Mr. Alec Porteous provided information about USM's request to expend up to \$700,000 to purchase new health and fitness equipment in addition to completing IT and space renovations, to support the new equipment at USM. Funding for this project will come from Banc of America financing. Debt payments for this project to be covered by a proposed new student gym fitness fee that would amount to approximately \$15 per semester for a full-time student. The fee has been tentatively approved by the campus leadership. The USM fitness centers on the Portland, Gorham, and Lewiston-Auburn campuses are highly utilized by students, employees and citizens of their respective communities. Most of the equipment at these USM fitness centers is over 20 years old and as the equipment ages, the need for maintenance has increased. Additionally, a lot of the equipment lacks the features and safety mechanisms of modern equipment. USM believes that replacing 25-year-old gym equipment will increase student and employee utilization of the fitness center, raise student satisfaction, and enhance the reputation of the institution to the community members who utilize the fitness centers.

Through this proposal, USM plans to replace all of the existing equipment in the three fitness centers. This includes 13 treadmills, 13 ellipticals, 4 climbmills, 5 recumbent bikes, 9 upright bikes, 1 stepper, 3 rowers, 28 spin bikes, and a large number of universal equipment and free weights. The vendor has agreed to accept the old equipment as a trade in with a value of \$15,000, including removal of the equipment. The total cost of the equipment net discounts and trade in is \$555,881.51. There will also be electrical, IT, and cosmetic work performed in the areas where the equipment is located. The University estimates this to be about \$100,000 in work and has accounted for contingency in the

request for expending up to \$700,000. Renovations would start early summer 2020 with expected receipt of the equipment in July. Occupancy and use of the spaces will be in time for the start of the Fall 2020 semester. No additional operational expenses are expected because of this expansion.

On a motion by Trustee Erwin, which was seconded by Trustee Donnelly, the Board of Trustees, acting through the Finance, Facilities and Technology Committee, authorized the University of Southern Maine to expend up to \$700,000 for health and fitness equipment and accompanying renovations with funding from Banc of America Financing, contingent upon inclusion of a sufficient, dedicated user fee in the USM fiscal year 2021 budget and approval by Trustees through the normal budget approval process of such a fee.

### **Advance Structures & Composite Center Renovation, UM**

UM Chief Business Officer, Ms. Claire Strickland and UM Director of the Advanced Structures and Composite Center (ASCC), Dr. Habib Dagher provide information about UM's request to spend up to \$1,400,000 to renovate the mezzanine section of the ASCC to create secured office space including, project offices, a conference room, 11 individual offices, two bathrooms (as required by code), and natural light skylights, all within existing square footage. Funding for this project will come from funds generated by industrial contracts, resources identified by the Vice President for Research and Dean of the Graduate School, a sponsored award from US Army Natick Soldier Center, and residual funds from a previous contract from the Natick center. No additional funds are required from UM. The ASCC is a world-leading, interdisciplinary center for research, education, and economic development encompassing material sciences, manufacturing, and engineering of composites and structures. This renovation project is precipitated by a growth in research at ASCC. Over the past 5 years, external research grants and contracts at the Center have grown from \$5 million per year to \$20 million per year. Additionally, ASCC has new government projects which require different levels of security. Nearly \$900,000 of the funding for the new office space is coming from those grant resources to create secure space for their research projects. The timeline for construction to commence is the Spring of 2020 with completion and occupancy anticipated in the Fall of 2020.

On a motion by Trustee Donnelly, which was seconded by Trustee Hustus, the Finance, Facilities and Technology Committee agreed to forward this item to the Consent Agenda at the March 15-16, 2020 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendation of the Finance, Facilities, & Technology Committee and authorizes the University of Maine System acting through the University of Maine to spend up to \$1,400,000 from various funding sources, including funds generated by industrial contracts, resources identified by the Vice President for Research and Dean of the Graduate School, a sponsored award from US Army Natick Soldier Center, and residual funds from a previous fixed price contract from the Natick center, to renovate the mezzanine section of the Advanced Structures and Composite Center to secured office space.

### **Structured Parking Facility Design, USM**

UMS Director of Capital Planning and Project Management, Ms. Carolyn McDonough and USM Chief Business Officer, Mr. Alec Porteous provided information about USM's request to expend up to \$1,200,000 to design an approximately 425-space parking structure to be constructed on the Portland campus at the USM. Funding for the design, and ultimately for the construction of this project, is proposed to come from a University Revenue Bond with debt service funded by USM

dedicated annual revenue streams. Due to the preliminarily approved new student residence facility project construction and other contemporaneous projects, the University expects to lose approximately 185 parking spaces on campus. That would create a parking deficit situation compared to current demand and would not meet future demand. In 2019, USM contracted with VHB, a civil engineering and transportation-consulting firm, to conduct a parking assessment to determine the current parking demand as well as the expected future parking need once the construction is complete. Additionally, USM conducted a separate study with a third party to review parking garage location options and expansion considerations on the Portland campus. As a result, the University expects to propose an approximately 425-space facility roughly in the footprint of the current 61-space surface lot adjacent to Sullivan Gym and accessed from Falmouth Street. The proposed site was selected based on numerous factors including the proximity to the new residence hall and Career and Student Success Center, balancing the distribution of traffic flow around campus, and the efficiency of the site design. If approved today, USM will execute an agreement for the design of this facility. That total project cost is preliminarily estimated at \$12.7 million. While the total cost for revenue bonding authorization purposes is scheduled for later in the agenda, only the design and initial due diligence portion of up to \$1.2 million is currently being requested. USM would return at a later time to request Board of Trustee authority to actually construct the facility and for full corresponding budget authority.

Chancellor Malloy stated that he was not comfortable moving forward with the full \$1.2 million approval without having approval of the structured parking facility site from the City of Portland. He proposed that the Board approve the full \$1.2 million amount with an approved initial spending limit set at \$400,000 and the additional \$800,000 spending schedule to be authorized by the Chancellor and the Vice Chancellor for Finance and Administration & Treasurer. The additional \$800 thousand spending schedule would also be contingent upon obtaining approval of the site location from the City of Portland. Based on this discussion, Chair Gardner proposed that the Committee remove this item from the Consent Agenda at the March 15-16, 2020 Board meeting and instead vote to have the agenda item move forward to the March Board meeting as a full action item with the text of the amended resolution to be presented at that time.

On a motion by Trustee Erwin, which was seconded by Trustee Donnelly, and approved by all members present, the Finance, Facilities and Technology Committee approved this item to be removed from the Consent Agenda and forwarded to the March 15-16, 2020 Board of Trustees meeting as a full action item, for approval of an amended resolution. The amended resolution will include Chancellor Malloy's proposed revisions and will be presented at the March 2020 Board of Trustees meeting.

### **Bond Financing, Internal Loan and Project Authorization**

UMS Vice President Finance and Controller, Ms. Tracy Elliott provided information about the University of Maine System proposal to issue revenue bonds in an amount not to exceed \$95 million and an internal loan of \$4 million to finance various projects at the University of Southern Maine. Revenue bonding is being requested to finance substantially all project costs, including capitalized interest and financing costs, of the design and construction of an approximate 580 bed student residence hall totaling approximately \$65 million, and an approximate 425 space parking structure totaling approximately \$13 million. Revenue bonding is also requested to finance a portion of project costs, including financing costs, of an approximate 60,000 square foot Career and Student Success Center with total costs of approximately \$31 million. This project has mixed source funding which includes an allocated \$19 million from the State of Maine's 2018 Facilities and Infrastructure

Improvement Bonds, gift funds that USM has and will continue to raise, and revenue bonds to bridge any gap in funding with the total amount estimated not to exceed \$11 million. Additionally, the UMS proposal enables USM to enter into an internal loan with UMS to cover costs associated with executing the Predevelopment Agreement with Capstone for Student Housing related costs. USM will incur expenses related to siting, architect and engineering fees, permitting, and other predevelopment work. USM requests an internal loan estimated at approximately \$4 million to fund those costs that will be reimbursed upon issuance of revenue bonds.

The UMS legal debt amount currently outstanding is approximately \$121 million as of March 1, 2020 and, with this issuance, will remain below the statutory ceiling for UMS debt of \$350 million. Additionally, UMS continues to assess estimated project cash flows for the aforementioned projects and the financing needs of other UMS campuses to determine the most efficient number and appropriate timing of revenue bonding. At this time, UMS anticipates two revenue bond issuances over two years to fund these projects and others and to avoid unnecessary financing costs.

On a motion by Trustee Erwin, which was seconded by Trustee Hustus, the Finance, Facilities and Technology Committee approved this item to be forwarded to the March 15-16, 2020 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendation of the Finance, Facilities, & Technology Committee and approves the Financing and Project Authorization resolution related to the issuance of revenue bonds not to exceed \$95 million for the purpose of financing three University of Southern Maine projects on the Portland campus including substantially all of the design and construction of an approximate 580 bed student residential facility and an approximate 425 space parking structure, and financing a portion of an approximate 60,000 square foot Career and Student Success Center. Additionally, that the Board of Trustees approves issuance of an internal University of Maine System loan to the University of Southern Maine for up to \$4 million, as determined by the Treasurer, for the purposes of funding predevelopment work related to a student residential hall on the Portland campus.

**Lease Authorization, University of Maine Museum of Art, UM**

UM Chief Business Officer, Ms. Claire Strickland and Director of the UM Museum of Art, Mr. George Kinghorn provide information about UM's request to enter into a lease for an initial term of 16 years and a cost of approximately \$18,837 per year (or a total of \$301,392), for 1,638 square feet of space located at 40 Harlow Street in Bangor, Maine to provide improved sidewalk-level visibility and additional galleries for the University of Maine Museum of Art's collections and changing exhibitions. Expenses related to this lease will be covered for the term of the lease by gift funds. The 16-year lease and related improvements are made possible and are fully funded by a \$1.3 million gift from Linda and Donald Zillman. No University E&G funds would be utilized as the Zillman gift would cover operating and staffing costs for the new galleries for the 16-year lease period. UM would name the entity that is the Museum, but not the building or structure in which it is housed, for the Zillmans in acknowledgment of their gift. The name would be the Linda G. and Donald N. Zillman Art Museum - University of Maine, or in short the Zillman Art Museum-University of Maine. The name is intended to follow the museum in the event it ever relocated.

On a motion by Trustee Donnelly, which was seconded by Trustee Doak, the Finance, Facilities and Technology Committee agreed to forward this item to the Consent Agenda at the March 15-16, 2020 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee and a.) authorizes the University of Maine System acting through the University of Maine to enter into a lease agreement for up to 1,638 additional square feet of space at 40 Harlow Street, Bangor Maine; b.) for up to 21 years and at a cost of up to \$302,000 for the initial 16-year period to be funded with private donations, with all final terms and conditions subject to review and approval of the University of Maine System Treasurer and General Counsel; and, c.) to name the museum entity the Linda G. and Donald N. Zillman Art Museum - University of Maine, or in short the Zillman Art Museum - University of Maine.

### **Engineering Education & Design Center Update and Naming, UM**

UM Chief Business Officer, Ms. Claire Strickland and UM Dean of the College of Engineering, Dr. Dana Humphrey, provided information on UM's request to expend up to an additional \$63 million to proceed with construction of the Ferland Engineering Education and Design Center (EEDC), bringing the total authorization to \$72 million. Additionally, UM is requesting final approval of the naming for the building as originally brought forth and approved in March of 2018. Funding will be provided through University revenue bonds supported with State debt service funding approved by the Legislature in late 2017, privately raised funds and other resources as identified by the UM Chief Business Officer and UMS Treasurer. In March, 2018 the naming of the facility was brought to the Board for consideration based on the receipt of a \$10 million gift from donors who wished to remain anonymous at the time. In September of 2019, the donors Eileen and James Ferland were publicly recognized by the University as the generous donors and naming beneficiaries for the facility. The proposed name of the new facility is: "E. James and Eileen K. Ferland Engineering Education and Design Center", with common reference as "Ferland Engineering Education and Design Center".

In September 2017 the Board approved an initial request of \$1 million for early design services of the building. In May of 2018 an additional \$8 million was authorized to complete building design and preliminary relocation and related work tied to the new building and its site. From this funding the North Engineering Annex was designed, built, and occupied in time for the spring 2020 semester and as a first step toward demolition of the existing Machine Tool Lab at the site of the new building. Design for the building has progressed and bidding for construction is scheduled to begin in the Spring of 2020. In preparation for this, the university is requesting to increase the spending authority of the project to a total of \$72 million. This is expected to cover costs of construction of the facility with an additional approval anticipated in approximately one year to finalize the expenses related to final fit out such as furniture, equipment and IT fixtures in the building. The total final project budget is currently projected to be approximately \$78-\$80 million.

This building will give UM the capacity to add 1,000 undergraduate and graduate engineering students. As of January 24, 2020, the number of students accepted into the College of Engineering was up 16 percent over the same date in 2019. The capacity provided by the Ferland EEDC is essential to allowing engineering student enrollment to continue to grow. The demand for UM engineering graduates is at record levels. According to Burning Glass Technologies, there were more than 1,500 job postings for engineers in Maine in 2019 and the most recent placement rate for UM engineering graduates was 99.9 percent. The Ferland EEDC is essential to providing the workforce

that Maine's economy demands, both in terms of skills and numbers. Biomedical engineering is a growing sector of Maine's economy that must be supported by robust research and economic development. This will be directly supported by the Ferland EEDC, as biomedical engineering research labs comprise roughly half of the building's third floor.

The Trustee Committee members decided that this item should be removed from the Consent Agenda and forwarded to the March 15-16, 2020 Board of Trustees meeting as a full action item to provide an opportunity to showcase the greatness of this project and its beneficial impact for students, the University of Maine System, and the State.

On a motion by Trustee Donnelly, which was seconded by Trustee Erwin, the Finance, Facilities and Technology Committee approved this item to be forwarded to the March 15-16, 2020 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendation of the Finance, Facility and Technology Committee and authorizes the University of Maine System acting through the University of Maine a. to increase the project authorization of the Engineering Education and Design Center by \$63 million, bringing the total authorization to expend up to \$72 million, funding for which will come from a combination of State debt service, University Revenue bonds and private giving; b. to increase square footage by approximately 101,000 gross square feet; c. to finalize the name of the facility as the "E. James and Eileen K. Ferland Engineering Education and Design Center" with common reference as "Ferland Engineering Education and Design Center."

### **Enrollment and Advancement Center, UMFK**

UMFK President Tex Boggs and UMFK Chief Business Officer, Ms. Pam Ashby provided information about UMFK's request to expend up to \$3,249,000 to construct a new Enrollment and Advancement Center. Funding for the project will be \$2,990,000 from the 2018 general obligation bond and \$259,000 in campus funds. The proposed facility fulfills a Renovation through Replacement plan calling for the replacement of some of UMFK's oldest, lowest NAV buildings with a new multi-purpose facility. The new facility would provide a positive "first" impression for all UMFK visitors, including students, alumni, community members, and prospective donors. This concept and need was reinforced by the UMFK Master Plan Report, which was accepted by Trustees in July 2017. As discussed in UMFK's FY2020 and FY2021 Budget Presentations, this building will eliminate the need for the Madawaska and St. David houses, directly allowing UMFK to remove 7,905 square feet and \$1,485,413 of deferred maintenance. The Madawaska House already has been removed and the St. David House is scheduled to be removed in spring of 2021. Pursuant to the Master Plan, UMFK also would take the additional step of removing the Cyr House, which is 2,514 square feet with \$474,873 of deferred maintenance. Design has progressed through Design Development with completion of construction documents and bidding anticipated in late Spring/early Summer of 2020. Construction is expected to take approximately 14 months and the goal for building occupancy is summer of 2021. The Board will be kept apprised of the project through the capital project status report provided at each Finance, Facilities, & Technology Committee meeting.

On a motion by Trustee Doak, which was seconded by Trustee Donnelly, the Finance, Facilities and Technology Committee agreed to forward this item to the Consent Agenda at the March 15-16, 2020 Board of Trustees meeting for approval of the following resolution:



That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee and authorizes the University of Maine System acting through the University of Maine at Fort Kent to expend up to \$3,249,000 for the Enrollment and Advancement Center to be funded with \$2,990,000 from general obligation bond resources and \$259,000 in campus funds.

### **Update to FFT Committee Meeting Protocol, UMS**

UMS Chief General Services Officer Mr. Chip Gavin provide information about UMS's proposal to update the informal and formal protocol for presenting information and action items to the Finance, Facilities and Technology (FFT) Committee of the Board of Trustees. Proposed changes include introducing a new three-step approval process rather than the current two-step approval process for any project with a value of \$5 million or more, strengthening and elevating the profile of the capital project report currently presented at each committee meeting, and updating the existing agenda information sheet format to be more prescriptive and consistent. Mr. Gavin provided additional details and reasoning pertaining to each of the proposed changes. These changes would begin to be implemented with the April-May cycle of the FFT committee and full Board of Trustees meetings. The proposed changes are primarily changes in administrative practices and procedures. They are within the expectations of existing Trustees Policy 703, and no change to Board Policy is required.

On a motion by Trustee Erwin, which was seconded by Trustee Hustus, the Finance, Facilities and Technology Committee agreed to forward this item to the Consent Agenda at the March 15-16, 2020 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendation of the Finance, Facilities, & Technology Committee and authorizes the University of Maine System to adopt these changes and authorizes the Treasurer and Clerk of the Board to update practices and procedure as necessary.

### **Reduction of Canadian Tuition Rate**

UMS Vice Chancellor for Academic Affairs, Dr. Robert Placido provided information on the UMS proposal for a reduction in tuition for Canadian students. UMS is proposing to offer Canadians an in-state tuition rate. Four of the University of Maine System universities are uniquely positioned mere miles from the northern and eastern Canadian border. This geographic location allows for across-the-border prospective student recruitment. The primary challenge to recruitment in Canada relates to the cost differential of approximately \$7000. Examples from UMFK and UMPI show that with assessment of an in-state rate, that differential deficit will decrease by approximately \$4000 for most programs. All UMS Presidents have found this to be a favorable enrollment strategy and are seeking to change their Canadian tuition rates. This request is happening now so that the UMS campuses can start marketing this change to prospective Canadian students for the Fall 2020 semester.

On a motion by Trustee Doak, which was seconded by Trustee Donnelly, the Finance, Facilities and Technology Committee approved this item to be forwarded to the March 15-16, 2020 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 change from Canadian non-resident tuition rates to in-state tuition rates for all campuses effective for Fall 2020.

### **Approval of 2019 Maine Economic Improvement Fund Annual**

UM President Joan Ferrini-Mundy and UM Vice President for Innovation and Economic Development, Mr. Jake Ward provided an overview of the 2019 Maine Economic Improvement Fund (MEIF) Annual Report. Maine statute requires the UMS to provide an annual report to the Governor and Legislature. In addition to listing the annual financial data, the report also included an assessment of the achievement of the annual goals and objectives, and a summary of the research and development projects that have been funded. In FY2019, the State's \$17.35 million MEIF investment was leveraged at a rate of 4.4 to 1 by UMS campuses for an additional \$76.57 million in federal and private-sector grants and contracts in the seven sectors. MEIF funds and leveraged external grants and contracts funded the work of 587 researchers and technicians, and 1,054 graduate and undergraduate students. These grants and contracts provided more than \$2.5 million to purchase major equipment to upgrade and outfit university laboratories. Maine's public universities secured new patents, worked on development projects with large and small businesses and start-ups, and provided research and development support to 530 companies and individuals.

On a motion by Trustee Donnelly, which was seconded by Trustee Doak, the Finance, Facilities and Technology Committee approved this item to be forwarded to the March 15-16, 2020 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee and approves the 2019 Maine Economic Improvement Fund Annual Report as presented.

### **Sightlines Annual Facilities Report**

Sightlines Account Manager, Ms. Emily Morris provided an overview of the 2019 Sightlines Annual Facilities Report. UMS Gross Square Footage (GSF) has declined 2.9% over the past 8 years. Although student enrollment has decreased 12% since 2006, it is the highest it has been in the last 4 years. UMS density has increased to 332 users per 100 thousand GSF in FY2019, which remains below the higher education public school average. Density, as a measure of the intensity or efficiency of the use of UMS space has stabilized and started trending upward against an overall, longer-term downward trend. This indicates that the Trustee's commitment to constrain space combined with the stabilizing and slightly strengthening user population of students, staff and faculty is making a difference. That commitment to space constraint is continuing in the current fiscal year with a new round of space reductions in process. UMS has now attained their interim density goal, though UMS remains far less dense than public higher education overall and has a significant way to go to reach the established long-term goal. Half of all UMS space this year has reached a renovation age of 50 years old or older, and UMS is on pace to see that grow to 55 percent by 2024. The measures of condition or quality of UMS facilities such as renovation age and net asset value are not expected to measurably improve overall until and unless substantially more financial investment is consistently made in existing facilities each year. For more than a decade, the University generally has invested \$20 million give or take, in its existing facilities each year. The current Sightlines target would have UMS investing at least twice that amount annually in existing facilities. To help address this issue, UMS has continued its focus on removing space and constraining the growth of space. UMS is also seeking new and novel sources of investment. Revenue bonds, public-private partnerships, potential new state support, energy services company agreements and other revenue sources are all being pursued or are in progress, above and beyond more traditional E&G, grant or general obligation bond resources. Chair Gardner asked how UMS is dealing with buildings that have deteriorated beyond repair and future use, but are still standing on campuses. Vice Chancellor Low explained that these

buildings remain standing because it is quite expensive to demolish them and many campuses just do not have the budget to remove them. He also reminded Chair Gardner that last year the Board approved a System-wide demolition fund to help remove some of these buildings.

**Capital Project Status Report and Bond Projects Update, UMS.**

UMS Chief General Services Officer Mr. Chip Gavin and UMS Director of Capital Planning and Project Management Ms. Carolyn McDonough provided an overview of the UMS Capital Project Status and Bond Project Status reports. The Capital Project Status report reflects a total of 22 projects; two projects were removed as reported in January; four projects were added and one major update occurred as a result of approvals at the January meetings. The new projects include: USM's Nursing Simulation Lab, Brooks Dining Patio renovation, Wishcamper Parking Lot expansion, and UMA's Augusta welcome center. The major update involved updating the student success center project at USM from schematic design to approval for both the residence hall and student success center, with enhanced approval to proceed.

The Bond Project Status report reflects 27 projects. The total number of projects is reduced this period because of a change in funding allocation in particular at the UMA campus. Three projects were removed and will be funded through campus funds rather than bond funds. Additionally, UM's Neville Hall Renovation project was added to the report. These projects are currently estimated to account for approximately \$32 million of the \$49 million in voter approved general obligation bond funding and just under \$4.5 million of that has been expended.

Mr. Gavin provided information about the USM Student Career and Success Center and Residence Hall Private Public Partnership (P3) projects. He explained that several other UMS campuses including UMF, UM and UMPI are also considering P3 projects at this time. Mr. Gavin also provided a brief update about the University of Maine Energy Center Project. Additionally, USM President Glenn Cummings and UMA President Rebecca Wyke provided a brief update on the Lewiston Auburn College potential relocation.

Additional information about the meeting can be found on the Board of Trustees website:  
<https://www.maine.edu/board-of-trustees/wp-content/uploads/sites/12/2020/02/MtgMat-FFT-022620-rev-022420.pdf>

Adjournment.

Heather A. Massey for  
Ellen N. Doughty, Clerk