

Board of Trustees

Finance, Facilities & Technology Committee

September 15, 2021 at 9:00 am

Zoom Meeting – No Physical Location Available

The public is invited to view the meeting on YouTube. The link to the Board of Trustees YouTube page can be found the Board website: <https://www.maine.edu/board-of-trustees/>

AGENDA

- | | |
|-----------------------------------|---|
| 9:00am – 9:05am | Call the meeting to order and Roll Call |
| 9:05am – 9:25am | <u>EXECUTIVE SESSION</u>
The Finance, Facilities, & Technology Committee will enter Executive Session under the provision of: 1 MRSA Section 405 6-C. |
| 9:25am – 9:40am
TAB 1 | Financing Authorization Resolution for Airplane Acquisition, UMA |
| 9:40am – 9:55am
TAB 2 | 300 Fore St Renovation and Fit Out, UM and Maine Law School |
| 9:55am – 10:05am
TAB 3 | Lease Authorization request, UM, 167 Fore St., Portland, ME |
| 10:05am – 10:15am
TAB 4 | Bennett D. Katz Library HVAC Enhancement, UMA |
| 10:15am – 10:25am
TAB 5 | Handley Hall HVAC Enhancement, UMA |
| 10:25am – 10:35am
TAB 6 | Lease Authorization Request, UM, Gartley Farm Presque Isle |
| 10:35am – 10:50am
TAB 7 | Review of IT Projects with a Value of \$25,000 or Greater |
| 10:50am – 10:55am
TAB 8 | FY2022 Finance, Facilities & Technology Committee Work Plan |
| 10:55am – 11:10am
TAB 9 | Renovation through Replacement example, UMFK |
| 11:10am – 11:20am
TAB 10 | Space Reduction Update, UMS |
| 11:20am – 11:35am
TAB 11 | Capital Projects Status Report and Bond Projects Update, UMS |
| 11:35am – 11:45am
TAB 12 | Annual Real Estate and Lease Report, UMS |
| 11:45am – 12:00pm
TAB 13 | S&P Global Ratings – University of Maine System |

Action items within the Committee purview are noted in green.

Items for Committee decisions and recommendations are noted in red.

Finance, Facilities, & Technology Committee Meeting - Agenda

*Note: Times are estimated based upon the anticipated length for presentation or discussion of a particular topic.
An item may be brought up earlier or the order of items changed for effective deliberation of matters before the Committee.*

With the elevated covid cases in the State, this meeting will be held virtually, in accordance with [Board of Trustee Policy 215 - Remote Public Meetings](#)

University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Financing Authorization Resolution for Airplane Acquisition, UMA

INITIATED BY: James O. Donnelly, Chair

BOARD INFORMATION:

BOARD ACTION: X

BOARD POLICY:

Section 712 Debt Policy

UNIFIED ACCREDITATION CONNECTION:

Increase enrollment

Improve student success and completion

Enhance fiscal positioning

BACKGROUND:

The University of Maine System (UMS) acting through the University of Maine at Augusta anticipates financing an airplane for UMA's Private Flight course using the existing Banc of America Public Capital Corp tax-exempt Master Lease Financing Agreement.

The airplane vendor is Cirrus Design Corporation, a Wisconsin company, identified through Request for Proposal # 2021-038. The total contract price for the airplane including options is \$498,090. The vendor requires:

- 10% deposit at the time of contract,
- 15% six months prior to delivery, and
- the remaining balance at delivery which is estimated to be in February 2022.

A Financing Authorization resolution and a Reimbursement of Project Expenditures resolution for this airplane acquisition is enclosed for Board review and approval. This resolution will enable the University to be reimbursed for expenditures, including expenditures made for this project within 60 days prior to approval of this resolution.

This Resolution request is pursuant to Board of Trustees Policy 712, which requires that debt and related agreements be approved by the Board and is also in compliance with U.S. Treasury Regulations regarding tax-exempt debt and reimbursement of costs. The request is to approve and forward this matter to the Consent Agenda for the September 27, 2021 Board of Trustees meeting.

TEXT OF PROPOSED RESOLUTION:

That the Finance, Facilities and Technology Committee approves the following resolution to be forwarded to the Consent Agenda for Board of Trustee approval at the September 27, 2021 Board meeting:

That the Board of Trustees, accepts the recommendation of the Finance, Facilities and

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Technology Committee, and approves the resolution entitled, “Financing Authorization” and “Reimbursement of Project Expenditures” for the University of Maine Augusta acquisition of an airplane with a maximum financing principal amount of debt of \$499,000.

Attachments:

Financing Authorization Resolution & Reimbursement of Project Expenditures Resolution

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UNIVERSITY OF MAINE SYSTEM

RESOLUTION FINANCING AUTHORIZATION

DECLARATION OF OFFICIAL INTENT OF UNIVERSITY OF MAINE SYSTEM TO REIMBURSE CERTAIN CAPITAL EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS

WHEREAS, the Internal Revenue Service has determined that the University of Maine System (the “University”) is described in Section 501(c)(3) of the Internal Revenue Code;

WHEREAS, the University intends to purchase an airplane (the “Project”) to service the University of Maine at Augusta’s (UMA’s) Private Flight course with the plane to be housed at Brunswick Landing, Maine;

WHEREAS, the University expects to pay certain capital expenditures in connection with the Project prior to the issuance of indebtedness to be used to finance such expenditures;

WHEREAS, the University is authorized to incur or issue debt obligations to finance costs of the Project;

WHEREAS, in order to reimburse itself or pay for costs of the Project, the University anticipates that it will enter into a tax-exempt financing lease for the purpose of financing the costs of the Project; and

WHEREAS, section 1.150-2(d) of the Treasury Regulations requires the University to declare its reasonable official intent to reimburse expenditures for the Project with proceeds of a subsequent borrowing;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the University as follows:

Section 1. The Board of Trustees of the University finds and determines that the foregoing recitals are true and correct.

Section 2. This Resolution is adopted by the Board of Trustees of the University solely for purposes of establishing compliance with the requirements of section 1.150-2 of the Treasury Regulations. The Resolution does not bind the University to make any expenditure or incur any debt with respect to, or to proceed with, the Project.

Section 3. That this Board of Trustees expects that this University will pay certain capital expenditures in connection with the Project prior to the issuance of taxable or tax-exempt indebtedness for the Project. The reimbursement of such expenditures is consistent with the University's established budgetary and financial circumstances. There are no funds or sources of moneys of the University, or any related person or commonly controlled entity, which have been, or reasonably are expected to be, reserved, allocated on a long-term basis, or otherwise set aside to pay costs of the Project to be paid or reimbursed out of proceeds of indebtedness to be issued for the Project.

Section 4. The Board of Trustees of this University hereby declares this University's official intent to use proceeds of indebtedness to reimburse itself for future expenditures related to the Project. This Board reasonably expects that the maximum amount of indebtedness to be issued for the Project is \$499,000.

Section 5. This Resolution shall be continuously available for inspection by the general public during normal business hours at the offices of this University, located at the Controller's Office, University of Maine System, 5703 Alumni Hall, Suite 101, commencing on September 28, 2021.

Section 6. That the Resolution of the Trustees of the University of Maine System entitled Reimbursement of Project Expenditures attached hereto as an Addendum is hereby approved and adopted; and further

Section 7. This Resolution shall take effect immediately.

ADOPTED: September 27, 2021

ADDENDUM**RESOLUTION OF THE TRUSTEES OF THE UNIVERSITY OF MAINE SYSTEM****REIMBURSEMENT OF PROJECT EXPENDITURES**

Be it resolved that, for purposes of U.S. Treasury Regulation §1.150-2, the University of Maine System reasonably expects (1) to incur debt to reimburse expenditures (including expenditures made within the last 60 days) with such expenditures to be made to pay the cost, or a portion of the cost, of planning, design, acquisition, construction, reconstruction, improvement, renovation, rehabilitation and equipping of the project described below (the “Project”) and (2) that the maximum principal amount of debt to be issued by the University of Maine System for the Project including for reimbursement purposes is Four Hundred Ninety Nine Thousand Dollars (\$499,000).

(a) PROJECT**University of Maine at Augusta:**

Acquisition of an airplane for the University of Maine at Augusta’s flight courses;

This Resolution shall take effect immediately.

ADOPTED: September 27, 2021

University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: 300 Fore St. Renovation and Fit Out, University of Maine and
University of Maine School of Law

INITIATED BY: James O. Donnelly, Chair

BOARD INFORMATION:

BOARD ACTION: X

BOARD POLICY:

701 – Budgets, Operating & Capital

UNIFIED ACCREDITATION CONNECTION:

The collaborative and inter-disciplinary work being done throughout the System will be enhanced by the ability of faculty and leaders to come together for innovation and collaboration. The new facility will bring together the Graduate School of Business, the Graduate and Professional Center, and the Law School, in professional and modern spaces. In addition, the University of Maine will have space for the Portland Gateway, MCECIS and UMaine Foundation.

BACKGROUND:

- a. Summary of the request:
The University of Maine and the University of Maine School of Law acting through the University of Maine System request authorization to expend \$6,000,000 for design and initial fit out of the space at 300 Fore Street in Portland.
This request is pursuant to Board Policy 701 – Budgets, Operating & Capital, 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 Committee. In this case, the request is to forward the authorization to the September 27, 2021 Board of Trustees meeting.
- b. Overall requested budget and funding source:
The current request is for \$6,000,000 to perform design and initial fit out of the space. The total cost of the fit out and renovation will be fine-tuned as the Construction manager at Risk (CM) comes on board. Additional costs and savings will be identified as the CM works collaboratively with the architect. Value engineering will be employed. Future request for an increase to this amount is anticipated.
Funding will come from the Bobby Monks & Bonnie Porta gift to Maine Center Ventures for Maine Law/Maine Center occupancy of 300 Fore Street and other gifts to be identified as well as funding sources identified by the Treasurer and Chancellor.
- c. More detailed explanation of rationale for project and metrics for success of the project (ROI or other):
With the lease of 300 Fore Street to house the University of Maine School of Law as well as the Maine Professional and Graduate Center, the Graduate School of Business, and other University of Maine departments, changes to the space are needed in order to accommodate the classrooms, student collaboration space and faculty and staff offices. The building is currently designed and laid out in a call center type fashion and includes minimal classroom space or enclosed/private office spaces which are needed for the effective function of the uses planned in the new space.

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The current request is anticipated to complete the fit out for key student-centric floors and spaces, mainly on the ground floor and first three floors of the building. The final cost of the full renovations is still unknown as schematic level layout and system evaluation is ongoing, however the goal is to reuse the facility in its existing state to the extent possible and to minimize these costs, while assuring a professional building. The current request is to cover design of the layout, purchase of some existing furniture and fixtures from the lessor, permitting and substantial renovation through January of 2022.

- d. Explanation of the scope and substance of the project as needed to supplement (a) and (c). (see above)
- e. Changes, if any, in net square footage or ongoing operating costs resulting from the project: Changes in square footage and operating costs were described in the May 24, 2021 Board meeting agenda item. The proposed renovation and fit out of the space is not expected to have an impact on those figures.
- f. Budget for the project and further elaboration on funding source and selection as needed to supplement (b) above:
As stated, the full cost of fit out is not yet known. The current budget of \$6,000,000 is expected to provide for design, permitting and substantial fit out work. The source of these funds is from gifts and other sources to be identified and approved by the Treasurer and Chancellor. Efforts are underway to identify additional sources for the full project.
- g. Alternatives that were considered to meet the need being addressed by this project:
As described in the Agenda item from May 24, 2021 Board Meeting.
- h. Timeline for start, occupancy and completion:
The project is currently in design after a conceptual layout/plan was complete in July. The selection of a construction manager at risk is underway and expected to be complete by early September. Design will continue with construction work to take place as soon as feasible. The current goal is to occupy and hold classes here at the start of the Spring 2022 semester.
- i. Timeline for any further consideration or action anticipated to be needed by the Board or its committees regarding this project if full authority is not being requested from the outset:
Additional consideration for the final budget will be needed and is anticipated to be presented at a future Board meeting.
- j. Additional information that may be useful for consideration of the item.
Challenges presented by the current Law School building, which is also home to the Graduate School of Business and the Graduate and Professional Center, have been exacerbated through the last several years, and the cost avoidance enabled by leaving that building is substantial, as has previously been presented to the Board.

TEXT OF PROPOSED RESOLUTION:

That the Finance Facilities and Technology Committee, approves the following resolution to be forwarded for Board of Trustee approval at the September 27, 2021 Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee, and authorizes the University of Maine and the University of Maine School of Law acting through the University of Maine System to expend \$6,000,000 for the design, permitting and initial fit out of space at 300 Fore Street Portland. The funding sources will be gifts and other sources as identified by the Vice Chancellor for Finance and Administration and Treasurer and the Chancellor.

Update on 300 Fore St.



- Move In - January 2022
- Classes begin
 - January 18, 2021

Timing & Permitting

August 10, 2021

Change of Use Permit

Approved by the City of Portland

Conditions:

External Lighting Review Plan ☒

Tree Planting Substitute ☒

Trip Management Plan – in progress

Coordination of additional City Approval

Underway. City has been careful and attentive.

System takes possession

September 9, 2021

CIEE departs fully – September 15, 2021

MAINE
UNIVERSITY OF MAINE SCHOOL OF LAW
LAW



University Partners:

Maine Law

Graduate & Prof Center

Terry Sutton, CEO - Maine Center Ventures

GSB – MBA

Dean Norm O'Reilly

U Maine Gateway

Pips Veazie, Director, University of Maine
Portland Gateway

MCECIS

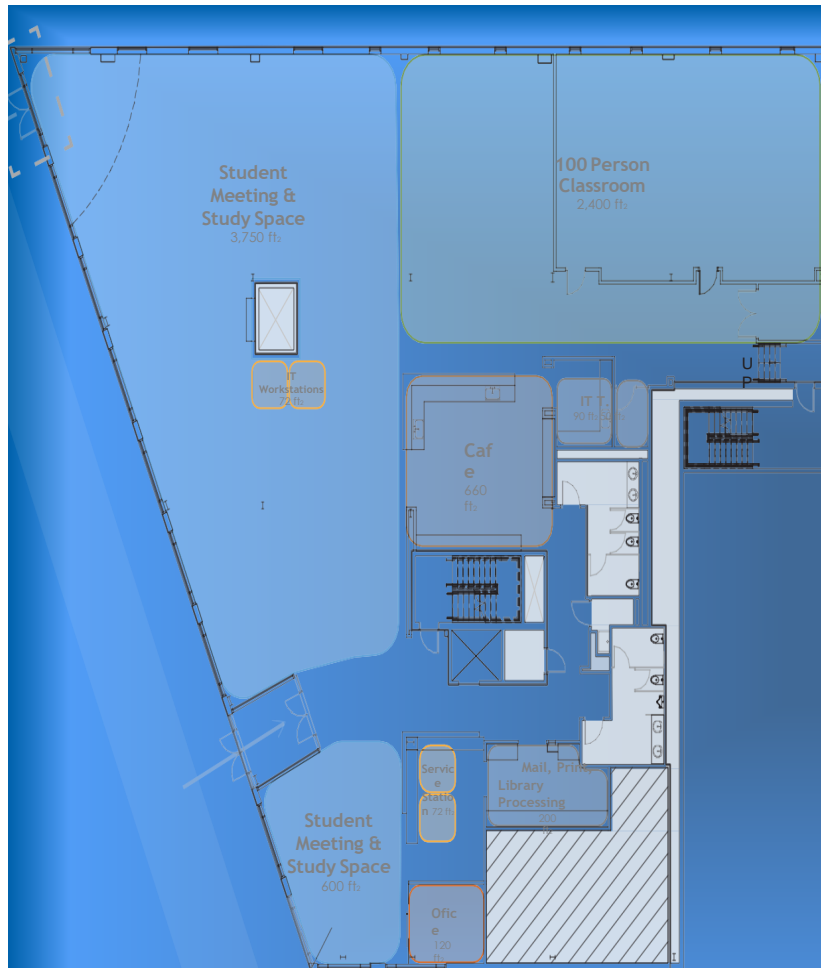
Vpof Research & Graduate SchoolDean

Kody Varahramyan

College of Engineering, Computing, and
Information Sciences

U Maine Foundation

MAINE
UNIVERSITY OF MAINE SCHOOL OF LAW
LAW



Maine Law and University of Maine partners will occupy all floors.

Generally:
Ground Floor

Library

First Floor

Large Classroom, Shared Open Space, & Reception

Second & Third Floors

Classrooms, Clinic, Student Services, Law Dean

Fourth and Fifth Floors (Slightly Smaller)

U Maine Offices, Law Faculty, Conference rooms,
Innovation spaces,

MAINE
UNIVERSITY OF MAINE SCHOOL OF LAW
LAW



BUILDING USE

Full Time Employees:

- | | |
|---|-----|
| • Maine Law | 50± |
| • MCV/Graduate & Professional Center | 4 |
| • University of Maine Gateway | 5 |
| • Graduate School of Business | 8 |
| • MCECIS | 3 |
| Maine College of Engineering,
Computing, & Information Science | |
| • U Maine Foundation | 5 |

Total Full-time

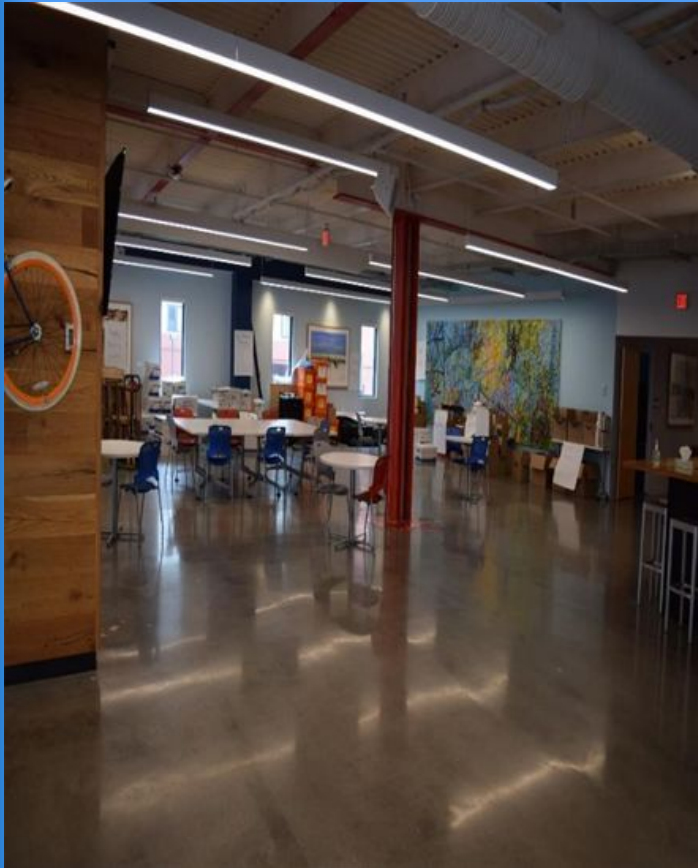
70+

Students:

- Law 250~ primarily scattered daytime hours
- MBA Primarily Online;
 - Local Students 25+
 - Some Evening in person classes and events



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UNIVERSITY OF MAINE SCHOOL OF LAW
LAW



Shared Spaces

First Floor gathering space 100+
Can be configured for events

5 Classrooms > 40
First Floor Moot Court Classroom 100+

Second Floor 2 or 3 Classrooms
One is dividable can be up to 100

Multiple Seminar Rooms

Innovation Hub

Conference Rooms



Priorities:

- Student Experiences and Success
- Inter-disciplinary Collaboration
- Connections to Maine's Businesses, Courts and Law Communities, Science & Education Communities

Student Benefits

- Bike Racks
- Locker Rooms
- Showers
- Parents' Room
- Prayer Room



Renovation and Costs

Architect and Builders have been selected
Using Competitive Process

Utilizing Construction Manager @ Risk
CHA and Consigli will collaborate
Reduced Costs, Improved Design



Existing spaces will be maintained
as much as possible

Furniture purchased from CIEE
Extensive savings



Pre-CM Conference cost assessment by CHA
Will be revisited with Contractor



MAINE
UNIVERSITY OF MAINE SCHOOL OF LAW
LAW



Thank you for supporting all of the students
of the University of Maine System.

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UNIVERSITY OF MAINE SCHOOL OF LAW
LAW

University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Lease Authorization request, UM, 167 Fore St., Portland, Maine

INITIATED BY: James O. Donnelly, Chair

BOARD INFORMATION:

BOARD ACTION: X

BOARD POLICY:

801 – Acquisition of Real Property; and Increase in Square Footage

UNIFIED ACCREDITATION CONNECTION:

UMaine personnel located in Portland will provide an opportunity to collaborate further with University of Southern Maine, University of Maine School of Law and the University of Maine Graduate and Professional Center.

BACKGROUND:

The University of Maine System acting through the University of Maine (UM) requests authorization to enter into a lease with 167 Fore LLC for 5,236 square feet of office space at 167 Fore Street, Floors 6 and 3, Portland, Maine to use as a U.S. person-only secure facility for approximately 13 research staff from the University of Maine Advanced Structures and Composites Center (ASCC). Research conducted at this facility is funded primarily by U.S. Department of Defense contracts.

This request is pursuant to Board Policy 801 – Acquisition of Real Property, which requires leases with a total value of \$100,000 or more or a term of 5 years or more to be considered by the Board of Trustees or its Finance, Facilities and Technology Committee. The proposed duration of this lease is for 3 years with two 5-year extension options with an initial monthly rate of approximately \$10,800, triple net. The request is also pursuant to Trustee policy prohibiting net increases in space without Trustee authorization. In this case, the request is to forward the recommendations to the Consent Agenda for Board approval.

On March 5th, 2021, the University of Maine entered into a short-term, six-month lease for 2,618 square feet at 167 Fore Street, Portland, Maine, Floor 6. The purpose of this location is a U.S. person-only secure facility for approximately 13 research staff from the UMaine Advanced Structures and Composites Center (ASCC) and the Portland Gateway Office Director. Research conducted at this facility is funded primarily by U.S. Department of Defense contracts. In addition to the 6th floor which we currently occupy, we propose to occupy the 3rd floor. We will soon be exceeding capacity on the 6th floor, with 10 out of 13 workstations filled and the additional seats will be filled by October. We have open job descriptions due to several funded research contracts and require the space to seat additional staff as we continue recruiting in the Portland metro region. The University is now negotiating a longer, three-year lease term for both floors with up to two five-year renewal periods.

The location in Portland enables the ASCC to draw on the talent in the Southern Maine area to help tackle challenging engineering and design problems for US Government customers. The initial team focus is to drive the development of large-scale additive manufacturing processes for 09/03/2021

new Naval vessels and applications. Software tools are being developed to design and build better structures. Improvements to existing manufacturing processes are envisioned by combining real-time sensor data with optimization techniques and data science which can be used to inform on-line decision making.

In March and April, significant physical and security enhancements were completed on the office suite to permit the start of secured work. Over \$80,000 in enhancements have been made to the space to provide secured network access and meet all physical security requirements from UMS Chief Information Security Officer, UM Chief of Police and the Office of Research Compliance. Some of these physical modifications include a closed-circuit security camera feed, MaineCard badge access to the front door and an Information Technology closet, an intrusion detection system, and fiber internet to the suite that is routed directly through the USM campus. This enables our staff in Portland to utilize the same secure enclave as our staff in Orono. This enclave has been set up and is managed by UMS IT to protect sensitive CUI and ITAR-restricted data in accordance with NIST SP 800-171 standards.

The initial rent equates to a cost per square foot of \$24.75 (triple net), which is on-par with commercial real estate lease rates in this part of Portland. Rent will be renegotiated at the time of any extension. Cost related to the lease will be recovered via the indirect rates charged to federal research contracts. Funding is available and unencumbered.

TEXT OF PROPOSED RESOLUTION:

That the Finance, Facilities and Technology Committee, approves the following resolution to be forwarded to the Consent Agenda of the Board of Trustees at the September 27, 2021 Board Meeting.

That the Board of Trustees approves the recommendation of the Finance, Facilities and Technology Committee and authorizes the University of Maine System acting through the University of Maine to enter into a lease agreement for up to 5,236 square feet of space at 167 Fore Street, Portland, Maine for up to 13 years and at a cost of up to \$129,591 per year plus expenses for the initial 3-year period; to be funded with federal research indirect rate charges; with all final terms and conditions subject to review and approval of the University of Maine System Treasurer and General Counsel.

University of Maine System
Board of Trustees

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AGENDA ITEM SUMMARY

NAME OF ITEM: Bennett D. Katz Library HVAC Enhancement, UMA

INITIATED BY: James O. Donnelly, Chair

BOARD INFORMATION:

BOARD ACTION: X

BOARD POLICY:

701 – Budgets, Operating & Capital

UNIFIED ACCREDITATION CONNECTION:

N/A

BACKGROUND:

a. Summary of the request

The University of Maine System acting through the University of Maine at Augusta (UMA) requests authorization to spend up to \$1,100,000 to enhance the mechanical heating, ventilation, and air conditioning systems at the Bennett D. Katz Library as a prevention measure for the spread of COVID-19.

b. Overall requested budget and funding source

The overall project budget is \$1,100,000 to be funded by monies allocated to UMA through the Higher Education Emergency Relief Fund (HEERF). This request is pursuant to Board Policy 701, which requires projects with a total cost of more than \$500,000 be considered by the Board of Trustees or its Finance, Facilities, & Technology Committee. In this case the Committee recommendation will be forwarded to the Board of Trustees Consent Agenda at the September 27, 2021 Board Meeting.

c. More detailed explanation of rationale for project and metrics for success of the project (ROI or other)

UMA has \$5,387,150 of HEERF monies available for a variety of institutional non-student aid needs. HEERF guidelines specifically allow for minor remodeling projects to monitor and suppress coronavirus, including the installation or renovation of HVAC systems to help with air filtration to prevent the spread of COVID-19.

d. Explanation of the scope and substance of the project as needed to supplement (a) and (c) above.

The new system will replace the central air handler with a Dedicated Outdoor Air (DOAS) energy recovery unit. This unit will provide 100% outside air for ventilation throughout the functional space with no recirculation among spaces. Each functional space will include its own heat pump to provide space heating and cooling needs. Air associated with these heat pumps is recycled only within that area served and not throughout the facility. The DOAS unit will be sized with capacity to provide 50% more ventilation air than the base requirements set forth by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standard 62.1, and it meets the

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current ASHRAE guidelines to prevent the spread of COVID-19. Additionally, the heat pumps will incorporate MERV13 Filtration to capture and remove contaminants from the air. Again, the filtration is in line with current ASHRAE guidelines to help prevent the spread of COVID-19. It is estimated that this project will increase the Net Asset Value from 38% to 57%.

e. Changes, if any, in net square footage or ongoing operating costs resulting from the project

Engineers estimate that electricity utilization will be reduced 10-20% which would result in a reduction in operating costs.

f. Budget for the project and further elaboration on funding source and selection as needed to supplement (b) above

None

g. Alternatives that were considered to meet the need being addressed by this project

Efforts were made to develop a less costly approach, but nothing else was found that would meet ASHRAE guidelines to help prevent the spread of COVID-19.

h. Timeline for start, occupancy and completion

Project to begin after fall semester with completion in the summer of 2022.

i. Timeline for further consideration or action anticipated to be needed by the Board or its committees regarding this project of fill authority is not being requested from the outset.

No further Board action is anticipated at this time.

j. Additional information that may be useful to consideration of item.

None

TEXT OF PROPOSED RESOLUTION:

That the Finance, Facilities, and Technology Committee, approves the following resolution to be forwarded to the Consent Agenda for Board of Trustee approval at the September 27, 2021 Board Meeting.

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 Augusta to expend up to \$1,100,000 of Higher Education Emergency Relief Fund monies to enhance the HVAC system of the Bennett D. Katz Library.

University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Handley Hall HVAC Enhancement, UMA

INITIATED BY: James O. Donnelly, Chair

BOARD INFORMATION:

BOARD ACTION: X

BOARD POLICY:

701 – Budgets, Operating & Capital

UNIFIED ACCREDITATION CONNECTION:

N/A

BACKGROUND:

a. Summary of the request

The University of Maine System acting through the University of Maine at Augusta (UMA) requests authorization to spend up to \$1,230,000 enhance the mechanical heating, ventilation, and air conditioning systems at Handley Hall as a prevention measure for the spread of COVID-19.

b. Overall requested budget and funding source

The overall project budget is \$1,230,000 to be funded by monies allocated to UMA through the Higher Education Emergency Relief Fund (HEERF -\$1,200,000) and E&G funds (\$30,000). This request is pursuant to Board Policy 701, which requires projects with a total cost of more than \$500,000 be considered by the Board of Trustees or its Finance, Facilities, & Technology Committee. In this case the Committee recommendation will be forwarded to the Board of Trustees Consent Agenda at the September 27, 2021 Board Meeting.

c. More detailed explanation of rationale for project and metrics for success of the project (ROI or other)

UMA has \$5,387,150 of HEERF monies available for a variety of institutional non-student aid needs. HEERF guidelines specifically allow for minor remodeling projects to monitor and suppress coronavirus, including the installation or renovation of HVAC systems to help with air filtration to prevent the spread of COVID-19.

d. Explanation of the scope and substance of the project as needed to supplement (a) and (c) above.

In September, 2019, the Board of Trustees approved an HVAC project at Handley Hall with a budget of \$575,000. As the pandemic unfolded, UMA placed the project on hold and contracted with Allied Engineering on additional needs related to preventing the spread of COVID-19. The original project will now be cancelled.

The new system will replace the central split system air handlers with a Dedicated Outdoor Air (DOAS) energy recovery unit. This unit will provide 100% outside air for

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ventilation throughout the functional spaces, with no recirculation among spaces. Each functional space will include its own heat pump to provide the space heating and cooling needs. Air associated with these heat pumps is recirculated only within the area served and not throughout the facility. The DOAS unit will be sized with capacity to provide 50% more ventilation air than the base requirements set forth by the American Society of Heating, Refrigerating, and Air Conditioning Engineers (ASHRAE) Standard 62.1, and it meets the current ASHRAE guidelines to help prevent the spread of COVID-19. Additionally, the heat pumps will incorporate MERV13 filtration to capture and remove contaminants from the air. Again, the filtration is in line with current ASHRAE guidelines to help prevent the spread of COVID-19. It is estimated that this project will increase the Net Asset Value from 79% to 90%.

e. Changes, if any, in net square footage or ongoing operating costs resulting from the project

Engineers estimate that electricity utilization will be reduced 10-20% which would result in a reduction in operating costs.

f. Budget for the project and further elaboration on funding source and selection as needed to supplement (b) above)

\$1,200,000 of HEERF monies will fund the remaining work to be done. \$30,000 of E&G monies will cover design work previously completed.

g. Alternatives that were considered to meet the need being addressed by this project

Efforts were made to develop a less costly approach, but nothing else was found that would meet ASHRAE guidelines to help prevent the spread of COVID-19.

h. Timeline for start, occupancy and completion

Project to begin after fall semester with completion in the summer of 2022.

i. Timeline for further consideration or action anticipated to be needed by the Board or its committees regarding this project of fill authority is not being requested from the outset.

No further board action is anticipated at this time.

j. Additional information that may be useful to consideration of item.

None

TEXT OF PROPOSED RESOLUTION:

That the Finance, Facilities, and Technology Committee, approves the following resolution to be forwarded to the Consent Agenda for Board of Trustee approval at the September 27, 2021 Board Meeting.

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 Augusta to expend up to \$1,200,000 of Higher Education Emergency Relief Fund monies and up to \$30,000 of E&G monies to enhance the HVAC system of Handley Hall.



AGENDA ITEM SUMMARY

1. **NAME OF ITEM:** Handley Hall HVAC System Upgrade Project, UMA
2. **INITIATED BY:** Samuel W. Collins, Chair Pro Tem
3. **BOARD INFORMATION:** **BOARD ACTION:** X
4. **OUTCOME:** **BOARD POLICY:**
Improve Student Success and Completion 701 – Budgets-Operating & Capital
5. **BACKGROUND:**

The University of Maine System acting through the University of Maine at Augusta (UMA) requests authorization to spend up to \$575,000 for upgrades to the heating, ventilation and air conditioning (HVAC) system for Handley Hall located in downtown Augusta. This project will be funded with voter-approved 2018 bond funds as well as campus funds.

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 Committee. In this case, the request is within the purview of the Finance Facilities and Technology Committee.

Handley Hall is a five-story brick building located in downtown Augusta that was constructed in the late 1880's. UMA uses Handley Hall to house an art gallery, classrooms and teaching spaces for UMA's baccalaureate in Architecture and baccalaureate in Art programs currently serving more than 140 students, 11 full time and numerous part-time staff. Additionally the building serves as the headquarters for the statewide New Ventures Maine Program staff where trainings are held throughout the year in the 15 to 20 person conference room on the fifth floor. The facility has an estimated net asset value of 81 percent and is approximately 31,000 gross square feet.

The existing HVAC system includes minimal cooling and that part of the system is failing and needs to be replaced. The new system will provide cooling to the five occupied floors of the building and will consists of energy efficient ductless mini-split heat pumps which will provide efficient cooling and redundant heating throughout the building. The fifth floor will utilize heat recovery technology that will provide the ability to transfer heat to other floors of the building while cooling the fifth floor.

08/20/2019

The design for this project is nearly complete and ready for bid. The project is expected to go to bid in the Fall of 2019 calendar year with construction to be completed during winter break. The proposed budget has been adjusted to account for the current bidding climate that exists in the mechanical trades and an updated estimate for construction. As ever, actual costs will not be known until the University receives bids for this project.

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6. TEXT OF PROPOSED RESOLUTION:

That the Board of Trustees, acting through the Finance, Facilities and Technology Committee, authorizes the University of Maine at Augusta to expend up to \$575,000 from 2018 State Bond and Campus funds for the Handley Hall HVAC System upgrade project.

08/20/2019

University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Lease Authorization Request, UM, Gartley Farm Presque Isle

INITIATED BY: James O. Donnelly, Chair

BOARD INFORMATION:

BOARD ACTION: X

BOARD POLICY:

801 – Acquisition of Real Property

UNIFIED ACCREDITATION CONNECTION:

NA

BACKGROUND:

The University of Maine System acting through the University of Maine (UM) requests authorization to extend a lease with the Heirs of George and Marcia Gartley, Attn: Hannah Gartley, for roughly 80 acres at Houlton Rd, US Route 1, Presque Isle, Maine. The current lease began in 2018 for three years with one three year renewal option. The lease did not receive Board approval at the time of the original agreement. This authorization will allow the lease to be extended to the full six year term, through April 30, 2024.

This request is pursuant to Board Policy 801 – Acquisition of Real Property, which requires leases with a total value of \$100,000 or more or a term of 5 years or more to be considered by the Board of Trustees or its Finance, Facilities and Technology Committee. The proposed duration of this lease is for 6 years. Rent is \$6,500 per year. In this case, the requirement is in regards to the duration of the lease and approval is within the purview of the Committee.

The University of Maine has been leasing the parcel of land in question since the 1970's. The lease provides the University with 80+/- acres of cropland for research on breeding and developing new, improved potato varieties that are useful to the Maine potato industry, as well as small-scale growers and home gardeners. Consumers also benefit from high quality, new potato varieties. Caribou Russet, Pinto Gold, and Hamlin Russet are recent successful outputs from the project. The University and George Gartley, now the heirs of George and Marcia Gartley through Hannah Gartley, have continued to exercise renewals and new leases over the years. The lease cost is funded via a grant from USDA-NIFA. The grant also provides operating dollars for this research effort.

TEXT OF PROPOSED RESOLUTION:

That the Board of Trustees acting through the Finance, Facilities, and Technology Committee authorizes the University of Maine System acting through the University of Maine to extend a lease with the Heirs of George and Marcia Gartley through Hannah Gartley, leasing a total of 80 +/- acres on the Houlton Rd in Presque Isle, for six years, through April 30, 2024. All final terms and conditions of the lease will be subject to review and approval by the University of Maine System Treasurer and General Counsel.

09/03/2021

University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Review of Projects with a Value of \$250,000 or Greater

INITIATED BY: James O. Donnelly, Chair

BOARD INFORMATION: X

BOARD ACTION:

BOARD POLICY:

N/A

UNIFIED ACCREDITATION CONNECTION:

N/A

BACKGROUND:




Dr. David Demers, Chief Information Officer, will provide information on the following projects with a value of \$250,000 or greater:

- Classrooms for the Future
- Classrooms for the Future – Web Conferencing Upgrades
- Wireless Infrastructure
- VoIP – UMF
- VoIP – UMPI
- VoIP – USM
- ERP Assessment
- Repaving MaineStreet
- MaineStreet Improvements

9/3/2021

Status Update – August 2021

Classrooms for the Future

Overall status:		Change from previous report:	None
Budget status:		Change from previous report:	None
Schedule status:		Change from previous report:	None

Overview

This project will involve renovations to existing classrooms across the entire University of Maine System. The project team will focus on the data obtained during the earlier classroom assessment phase and resulting classroom ratings in order to prioritize work at each campus. The team will also develop standards for the equipment in all classrooms. Vendors will be used for the larger renovations and campus services/classroom technology staff will be used for minor renovations and upgrades. Once the rooms have been updated, they will be re-assessed and scored accordingly.

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Initiation Date	Sponsor	Original Estimated Completion Date	Current Estimated Completion Date	Estimated Budget*	Budget Committed to date	Budget % Committed	Project % Complete	Comments
4/2016	David Demers	12/2019 (updated 11/18)	12/2021	\$4,945,075	\$4,945,075	100%	99%	The total estimated budget reflects additional allocation provided Dec. 2017 as well as contingency funds added in December 2018

Status

Additional equipment was ordered and installed for the UMPI campus with the remaining contingency funds. Equipment will also be ordered for the UMA and UMaine campuses with remaining contingency funds once rooms are selected on each campus.

Classroom reassessments will be started this fall on rooms that are 95% complete. Maintenance reports will be completed for the remaining campuses, and final reports will be completed for all campuses once the overall project has been completed and classroom reassessments have taken place.

BUDGET SUMMARY

Campus	Allocation	% Committed to Date	\$\$ Not Yet Budgeted	% Complete
PROJECT TOTAL	\$4,945,075	100%	-0-	99%
UMM	\$240,900	100%	-0-	99%
UMF	\$415,976	100%	-0-	100%
UMaine	\$1,681,630	100%	-0-	100%
UMPI	\$360,276	100%	-0-	99%
USM	\$1,238,980	100%	-0-	99%
UMFK	\$287,348	100%	-0-	99%
UMA	\$719,965	100%	-0-	98%

Summary by Campus and Classroom ProjectReference: [Campus Room Renovations](#)

Campuses	Rooms By Project Setup	% Complete
UMA	Music Arts 124	100%
	RRSC 248 & 255	100%
	UC Bath/Brunswick 114	100%
	UC Norway SoPar 114 & 206	100%
	UC Saco 111	100%
	UC Ellsworth 2 & 7	100%
	UC Rockland 410 & 413	100%
	Jewett 124, 180, 189, 190 & 291	100%
	RRSC 246	100%
	UC Rockland 403, 410, 412 (Phase 2)	100%
	Fine Arts 122	100%
	Jewett 284, 293, 297	100%
	Katz 5, 15, 51	100%
	Katz 14 & 16	100%
	Handley Hall	100%
	LAC 162J, 162K, 162L, 216A, 216B, 218, 222C	100%
	Bangor 135, 142	100%
	Camden 101, 105, 304	100%
	Randall 253/255	95%
	Jewett 156	100%
	Jewett 284, 293, 297	100%
	Katz 7 and 210	95%
	Saco 110	95%
	Bath/Brunswick 115, 119 (RUS)	95%
	Dental Clinic 109 (RUS)	95%
	East Millinocket 1 (RUS)	95%
	Ellsworth 3 (RUS)	95%
	Houlton 119 (RUS)	95%
	LAC 222C (RUS)	95%

7.1

	LAC 118 & 119 (RUS)	95%
	LAC 125 (RUS)	95%
	Rockland 412 (RUS)	95%
	Rumford 309 (RUS)	95%
	Saco 107 (RUS)	95%
UMF	Roberts 205 & 207	100%
	Ricker Addition 202, 205	100%
	Roberts C23 & 131	100%
	Ricker Addition 217	100%
	Preble 117	100%
	Roberts 105, 107, 201, 203	100%
	South 115	100%
	Education Center 6 & 113	100%
	Tech Commons Fusion Center	100%
	Roberts 3, 101, 103	100%
	Education Center 103, 106, 110, 114	100%
UMaine	Shibles 202	100%
	DPC 105	100%
	Neville 101	100%
	Estabrook 130, 152	100%
	Bennett 215	100%
	Dunn 315 & 316	100%
	South Stevens 106D	100%
	DPC 107, 115, 117	100%
	Boardman 116	100%
	Boardman 118	100%
	Shibles 217, 313, 316	100%
	Nutting 100	100%
	Aubert 354	100%
	Hitchner 157	100%
	Jenness 102, 104, 108	100%
	Lengyel 127	100%
	Libby 220	100%
	Little 110, 120, 202, 206, 220	100%

	Lord 200	100%
	Colvin 401	100%
	Memorial Gym Complex 106 & 110 (ROTC Army)	100%
	Merrill 228a	100%
	Murray 102 & 106	100%
	N Stevens 235	100%
	Rogers 206	100%
	ROTC Navy 201 & 203	100%
	Deering 101c	100%
	Barrows 123, 131, 133	100%
	Balentine 129	100%
	Dunn 1, 44, 401	100%
	Barrows 124	100%
	Bryand Global 100	100%
	Deering 17	100%
	North Stevens 235	100%
	South Stevens 232-B	100%
	Neville 116, 118	100%
	Neville 120	100%
	Little 212	100%
	Aubert 165	100%
	Barrows 128	100%
	Class of 44 100	100%
	Colvin 401	100%
	DPC 111	100%
	Little 350	100%
	Center Stevens 155	100%
	Darling Marine Center Brooke Hall	100%
	PAIL Necropsy Lab	100%
	Libby 220	100%
	Nutting 213	100%
	Boardman 210	100%
	Lengyel 125, 127	100%
	Center Stevens 355	100%

	Deering 17, 113	100%
	Little 211, 212, 219	100%
UMM	Torrey Hall 230, 232, 234 - Phase 1	100%
	Torrey Hall 102	95%
	Torrey Hall 106	100%
	Powers 208 & 209	100%
	Science 114	100%
	Science 102 & 120	100%
	Reynolds Center 14	100%
	Torrey 230, 232 & GIS Lab - Phase 2	100%
	Performing Arts Center	100%
	Science 13, 115	100%
	Powell 123	100%
	Cyr 113	100%
UMFK	Old Model School 11	100%
	Cyr 200 & 201	100%
	Cyr 203	100%
	Cyr 200, 201, 204, 209	100%
	Nadeau Telecom Room	100%
	Powell 123 - Phase 2	100%
	Old Model School 112	95%
	Armory 119	100%
	Cyr 200-Contingency	100%
	Cyr 204, 205-Contingency	100%
UMPI	Folsom 206	100%
	Pullen 113, 212, 216	100%
	Folsom 204 & 205	100%
	Houlton 110	100%
	Folsom 203	100%
	Pullen 212	100%
	Pullen 213	100%
	Preble 239	100%
	Gentile Athletic	100%

	Weidan Training	100%
	Houlton 109	95%
	Houlton 124	100%
	Houlton 125	95%
	Pullen 111, 214	100%
	Pullen 215	95%
	Pullen 113, 210, 213, ART	95%
	Folsom 303	100%
	Folsom 301, 304	100%
USM	405 Bailey	100%
	John Mitchell 217	100%
	Payson Smith 301A	100%
	LB 103	100%
	Masterson 113	100%
	Bailey 320	100%
	Bailey 10, S113, 201, 202, 204, 205, 206, 207, 208, S213, S215, 218, S312, S313, 315, L319, 320, L321, C402, C403, C, 405,	100%
	Corthell 112, 211, 212	100%
	John Mitchell 151, 164, 181	95%
	John Mitchell 233, 242, 252, 265, 270	95%
	John Mitchell 252	100%
	LAC 287	100%
	LAC 210, 211, 212, 214, 216, 218, 224	100%
	LB 208, 209, 241, 302, 303, 310, 326, 327, 402, 403, 410, 424, 425, 502, 503, 509, 510, 523, 524	100%
	Payson Smith 1, 41, 42, 44, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 211, 303, 304, 306	100%
	Wishcamper 103, 113, 417/419, 427	95%
	Science 203	95%
	Science 403	95%
	Law 118	100%
	Payson Smith 42 & 44 - Phase 2	100%
	Payson Smith 206	95%
	Payson Smith 201, 304, 306 - Phase 2	95%

	Bailey 218 & 312	100%
	Bailey 313	95%
	Bailey 402	95%
	LAC 104, 106	100%
	Glickman Library 423/424	100%
	Luther Bonney 209	100%
	Science 157	100%
	Science 533	100%
	Russell 1 and Dance Studio	100%
	Masterton G38	100%
	Hill Gym 201	100%
	Ice Arena 154	100%
	LB 410, 524	100%
	Corthell 320	100%
	LAC 105, 108, 110	100%




*Summary Table Note - Phase 1 refers to Summer 2017 projects and Phase 2 refers to Summer 2018 projects.

Risks

- Potential COVID-19 impact of work on campus
- Potential delays in shipping and equipment shortages due to higher equipment demand

Status Update – August 2021

Classrooms for the Future Web Conferencing Projects

Overall status:		Change from previous report:	N/A
Budget status:		Change from previous report:	N/A
Schedule status:		Change from previous report:	N/A

Overview

The Board of Trustees recently approved funding for adding web conferencing equipment to several UMS classrooms that were upgraded in the CFTF Phase I project. The majority of work will take place this summer, with any remaining installations to be completed over winter break. The budget includes funds for web conferencing carts as well as four temporary employees to assist UMS IT staff with installations. Vendors will also be engaged for work in the UM Law School large lecture hall and for classrooms requiring programming changes. Once the rooms have been updated, they will be re-assessed and scored accordingly.

Initiation Date	Sponsor	Estimated Completion Date*	Estimated Budget	Budget Committed to date	Budget % Committed	Project % Complete
5/2020	David Demers	12/31/2021	\$2,563,650	\$2,289,900	90%	98%

Status

Web conferencing installations have been completed at all campuses. Reassessments will begin in Fall 2021 on all rooms currently at 95% complete. Once this has been done, the project can be closed.

Summary of Web Conferencing Upgrades

Campus	Number of Rooms	Number of Carts	Summer Rooms Completed	Number of Winter Rooms	Winter Rooms Completed	Percentage Complete
UMA	27	10	16	11	11	98%
UMF	11	4	11	0	0	100%
UM	61	10	42	19	19	98%
UM-Law	5	1	2	3	3	95%
UMM	10	2	7	3	3	99%
UMFK	6	2	6	0	0	100%
UMPI	10	2	6	4	4	98%
USM	47	11	32	15	15	98%

Summary by Campus and Classroom Project

Campuses	Rooms By Project Setup	% Complete
UMA	Brunswick 114	100%
	Ellsworth 2	100%
	Ellsworth 7	100%
	LAC 162K*	95%
	Rockland 410	100%

	Rockland 413	100%
	Saco 108	100%
	Civic Center 257*	95%
	Fine Arts 124	100%
	Jewett Hall 124*	100%
	Jewett Hall 156	100%
	Jewett Hall 180	100%
	Jewett Hall 284	100%
	Jewett Hall 293	100%
	Jewett Hall 297	100%
	Katz 5	100%
	Katz 53	95%
	Randall Student Ctr 253*	100%
	Randall Student Ctr 255*	95%
	Camden Hall 101*	95%
	Camden Hall 105*	95%
	Camden Hall 304* changed to Dental 142	95%
	College Center 135	100%
	College Center 142*	95%
	Eastport Hall 135	100%
	Eastport Hall 136*	95%
	Eastport Hall 138	100%
UMF	Education Center 103	100%
	Education Center 106	100%
	Education Center 111	100%
	Education Center 113	100%
	Education Center 114	100%
	Preble 117	100%
	Ricker Addition 217	100%
	Roberts 131	100%
	Roberts C23	100%
UMaine	Aubert 316*	95%
	Aubert 421	100%

	Aubert 422	100%
	Barrows 123*	95%
	Barrows 124	100%
	Barrows 130	100%
	Barrows 131*	95%
	Bennett 102	100%
	Bennett 140	100%
	Bennett 141	100%
	Boardman 115* changed to 210	95%
	Bryand Global 100	100%
	Deering 17*	95%
	Deering 101C* changed to Bennett 201	95%
	Deering 113	100%
	DPC 100	100%
	DPC 105	100%
	DPC 107	100%
	DPC 115	100%
	DPC 117	100%
	Dunn 115	95%
	Dunn 316	95%
	Hitchner 157	95%
	Hutchinson Center 102	100%
	Hutchinson Center 129*	95%
	Jenness 100	100%
	Jenness 102	100%
	Jenness 104	100%
	Jenness 106	100%
	Jenness 108	100%
	Lengyel 125	100%
	Lengyel 127	100%
	Little 110	100%
	Little 120	100%
	Little 130	100%
	Little 140	100%

	Little 202	95%
	Little 206*	95%
	Little 211	100%
	Little 219*	100%
	Little 220*	95%
	Lord 200*	95%
	Merrill 228a	95%
	Merrill 114	95%
	Murray 102	100%
	Murray 106	100%
	Neville 100	100%
	Neville 101	100%
	Neville 208	100%
	Neville 227	100%
	Nutting 100	100%
	Nutting 102	100%
	Nutting 213	100%
	Nutting 257	100%
	Shibles 217	100%
	Shibles 313	100%
	Shibles 316	100%
	Stevens/Center 155* changed to Little 204	95%
	Stevens/Center 355*	95%
	Stevens/North 235	100%
	Stevens/North 237* changed to Hitchner 157	95%
UM LAW	Moot	95%
	Middle*	95%
	First Year	95%
	506*	95%
	522A*	95%
UMM	Science 115	100%
	Science 120	100%
	Science 13*	95%

	Torrey 104	100%
	Torrey 106	100%
	Torrey 226	100%
	Torrey 228*	95%
	Torrey 230	100%
	Torrey 232	100%
	Torrey 234*	95%
UMFK	Armory 119	100%
	Cyr 113	100%
	Cyr 204	100%
	Cyr 205*	100%
	Old Model School 103*	100%
	Powell 123	100%
UMPI	Folsom 101A	100%
	Folsom 204	100%
	Folsom 205	100%
	Folsom 206	100%
	Folsom 303	100%
	Pullen 111*	95%
	Pullen 210*	95%
	Pullen 212	100%
	Pullen 214*	95%
	Pullen 216*	95%
	Weidan PTA	100%
USM	Bailey 10*	95%
	Bailey 113	100%
	Bailey 201	100%
	Bailey 202	100%
	Bailey 204	100%
	Bailey 205	100%
	Bailey 206*	95%
	Bailey 207*	95%
	Bailey 218	100%
	Bailey 312	100%

	Bailey 315	100%
	Bailey 319	100%
	Bailey 402*	95%
	Bailey 403	100%
	John Mitchell 151	100%
	John Mitchell 242	100%
	John Mitchell 252	100%
	LAC 104*	95%
	LAC 108/109	100%
	LAC 158*	95%
	LAC 210	100%
	Luther Bonney 103*	95%
	Luther Bonney 209	100%
	Luther Bonney 241*	95%
	Luther Bonney 302	100%
	Luther Bonney 303*	95%
	Luther Bonney 326	100%
	Luther Bonney 402*	95%
	Luther Bonney 403*	95%
	Luther Bonney 410	100%
	Luther Bonney 502*	95%
	Luther Bonney 503	100%
	Luther Bonney 510	100%
	Luther Bonney 523	100%
	Masterton 113*	95%
	Masterton G08	100%
	Masterton G38	100%
	Payson 42	100%
	Payson 44	100%
	Payson 200	100%
	Payson 201	100%
	Payson 202	100%
	Payson 204	100%

	Science 533	100%
	Wishcamper 133* (on hold)	95%
	Wishcamper 419/427*	95%

***denotes rooms scheduled for winter break**

Status Update August 2021**UMS Wireless Infrastructure**

Overall status:



Change from previous report: None

Budget status:



Change from previous report: None

Schedule status:



Change from previous report: None

Overview

This project is a wireless technology connectivity Initiative to upgrade wireless service and associated cabling and equipment at all campuses to bring wireless capacity to gigabit speeds to support learning and living spaces.

7.1

Initiation Date	Sponsor	Original Estimated Completion Date	Current Estimated Completion Date	Estimated Budget	Budget Committed to date	Project % Complete	Comments
4/2016	Jeffrey Letourneau	12/2018	12/2021	\$13,215,000	\$12,898,888	99%	

Status

Final work at USM has been progressing as supplies become available. New APs were installed in all of the residence halls this month. Our contractor is still waiting on fiber optic cable to complete core upgrades.

At UM, project work is complete on the UM campus.

At UMPI, project work is complete on the UMPI campus.

At UMA, project work is complete on the UMA campus.

At UMM, project work is complete on the UMM campus.

At UMF, project work is complete on the UMF campus.

At UMFK, project work is complete on the UMFK campus.

BUDGET SUMMARY

Campus	Allocation	% Budgeted to Date	\$\$ Not Yet Budgeted	% Expended & Encumbered to Date	\$\$ Expended & Encumbered	\$\$ Not Yet Expended/Encumbered
PROJECT TOTAL	\$13,215,000	100%	\$13,041	98%	\$12,898,888	\$316,112
Equipment in Inventory					\$0	
System-wide Services	\$620,000	100%	-\$452	100%	\$620,452	-\$452
UM - Machias	\$733,200	100%	\$0	101%	\$743,998	-\$10,798
UM - Farmington	\$1,674,800	100%	\$0	100%	\$1,681,512	-\$6,712
UMaine	\$3,294,600	100%	\$0	100%	\$3,295,649	-\$1,049
UM - Presque Isle	\$700,200	98%	\$13,493	99%	\$692,509	\$7,691
USM	\$5,017,600	100%	\$0	93%	\$4,672,413	\$345,187
UM - Fort Kent	\$614,600	100%	\$0	103%	\$632,255	-\$17,655
UM - Augusta	\$560,000	100%	\$0	100%	\$560,101	-\$101

(*) = original \$11.2M allocation plus reallocation of \$980k plus \$620K required from contingency funding for system-wide licensing. 12/2018 - additional \$415,000 from contingency.

BUILDING SUMMARY

Complete:			Installation & Deployment Scheduled / In Progress²	Planning - Not yet Budgeted
University of Maine at Augusta				
Lewiston Katz Jewett	Eastport Camden Belfast	Civic Center College Center Randall		
University of Maine at Farmington				
Mantor Library Dakin Black	Stone Scott North Scott West Scott South	Lockwood Purington Campus Fiber Mallett		
University of Maine at Fort Kent				
Powell The Lodge Crocker	Blake Library Cyr Hall			
University of Maine at Machias				
Torrey Hall / Merrill Library	Reynolds Powers Science	Dorward Sennett Kilburn		
University of Maine at Presque Isle				
Park Emerson Merriman	Folsom- Pullen Wieden	Library Campus Fiber		
University of Maine				
Fogler Library Shibles Bennett Rogers Jenness Lord Bryand Global Science Boardman	Aubert Wells Stewart MerrillLittle Class of 1944 Lengyel Estabrook Core Hitchner Murray Hall	Winslow Barrows / ESRB NuttingDeering Center Stevens North Stevens South Stevens Fernald Hart Core Donald P Corbett		
University of Southern Maine				
Drawing Studio Print Studio Academy Building Wishcamper Abromson Luther-Bonney	Russell Corthell Masterton Hall Glickman Library	<u>Wireless Only</u> Law Building Wireless Upgrades in Residence Halls	<u>In Progress</u> Fiber infrastructure Upgrades Admission Building 92 Bedford Street	

Payson-Smith Brooks Dining JMC	Costello Complex Lewiston- Auburn Sullivan Complex Science Bailey			
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- ¹ Networks are online and functioning; some testing and close-out paperwork may remain to be done
- ² Dates are estimated start dates for cable installation & deployment – subject to change
- ³ Insufficient funding to upgrade entire building; minimal upgrades to support Classrooms for the Future or future upgrades
- ⁴ Partial upgrade due to building limitations

Risks

- Campus closures and increased health and safety regulations due to COVID-19 pandemic are impacting project schedule.
- Supply chain issues delaying availability of materials.
- Identification of asbestos containing materials (ACBM) at USM in an area that was not anticipated has led to a higher awareness of and need to test for ACBM. Both the need for increased testing and the probability of higher than anticipated abatement needs will impact both project schedule and cost. The degree of impact will not be known until test results are completed.
- The project team is working closely with the Classrooms for the Future project team to coordinate efforts. Campus decisions to prioritize upgrades in residence halls over classroom buildings may negatively impact the Classrooms for the Future project.
- Many of the buildings require modifications by Facilities Management prior to network installation. The project team is working with each campus to plan this work. Resource availability and scheduling for this work may cause project delays.
- A risk to perceived success is unreasonable stakeholder expectations. Although a ubiquitous system-wide upgrade is needed, this project will only partially meet that need given the constraints of limited resources (schedule, budget, staffing, construction limitations, and coordination with other campus resources).
- Many buildings have network infrastructure that will need to be upgraded before new wireless networks can be installed. In some cases, this may include new fiber installation and/or the need for facility renovations.
- The phased funding approach will necessitate maintaining two separate WiFi networks on most if not all campuses driving up the ongoing operational costs and efforts for US:IT while creating inconsistent wireless service levels building to building on the campuses.
- There are a large number of factors and variables that will affect this project's timeline. There are other sizeable projects taking place at the same time. Another factor affecting the timeline will be the coordination among involved entities in setting priorities and timing.

Status Update – August 2021**VoIP – UMF**

Overall status:



Change from previous report: None

Budget status:



Change from previous report: None

Schedule status:
12/2021

Change from previous report: Changed from 9/2021 to

Overview

This project will upgrade the UMF telecom system to utilize voice-over-IP (VoIP) and mitigate risk associated with the aging Avaya phone system.

7.1

Initiation Date	Sponsor	Original Estimated Completion Date	Current Estimated Completion Date	Estimated Budget	Budget Committed to date	Project % Complete	Comments
4/2019	Jeffrey Letourneau	9/2021	12/2021	\$499,000	\$484,215.35	99%	

Status

This project is nearly complete, but delays in availability of electronics have impacted final completion tasks. We are awaiting delivery and invoicing for final equipment orders to be able to close this project.

Risks

- Supply chain issues and availability of electronics may delay this project.
- Delays in other projects caused by COVID-19 response may impact this schedule.
- The legacy Avaya phone system has shown signs of failing. There is a risk that we will not be able to migrate all services from this system before failure occurs. This risk is being mitigated by temporarily moving lines to analog voice gateways.
- Due to the mitigation plan noted above, many users will be required to transition multiple times. This poses a risk of customer dissatisfaction and will necessitate a more comprehensive communication strategy.
- The network infrastructure in many buildings on the UMF campus is not adequate for deploying VoIP phones. This poses a risk to both project schedule and budget.
- Availability of human resources is a risk to this project. Resources needed for this project will also be working on telecommunications upgrades at UMPI and USM as well as providing operational support for all campuses.

Status Update – August 2021**VoIP – UMPI**

Overall status:



Change from previous report: None

Budget status:



Change from previous report: None

Schedule status:



Change from previous report: None

Overview

This project will upgrade the UMPI telecom system to utilize voice-over-IP (VoIP) and mitigate risk associated with the aging Avaya phone system.

Initiation Date	Sponsor	Original Estimated Completion Date	Current Estimated Completion Date	Estimated Budget	Budget Committed to date	Project % Complete	Comments
6/2019	Jeffrey Letourneau	9/2021	6/2021	\$291,000	\$289,760.05	100%	

Status

This project is substantially complete. The legacy system was decommissioned on June 2 and disposal is planned for early August (pending elevator repairs).

We are awaiting final invoices to close the project budget.

7.1

Status Update – August 2021**VoIP – USM**

Overall status:



Change from previous report: None

Budget status:



Change from previous report: None

Schedule status:



Change from previous report: None

Overview

This project will upgrade the USM telecom system to utilize voice-over-IP (VoIP) and mitigate risk associated with the aging Nortel phone system.

Initiation Date	Sponsor	Original Estimated Completion Date	Current Estimated Completion Date	Estimated Budget	Budget Committed to date	Project % Complete	Comments
6/2019	Jeffrey Letourneau	9/2022	9/2022	\$809,000	\$622,190	75%	

Status

On August 6, 2021, a major power outage on the USM campuses caused the legacy Nortel phone system to go offline. When power returned, the Nortel system came back online with only limited functionality and the team was not able to restore full functionality. The Networkmaine team quickly triaged the situation and deployed all available resources to install as many IP phones as possible to impacted users.

Most of the remaining project work is related to analog phone extensions such as elevators, alarms, faxes, and emergency phones. The project team will reassess after the start of the semester and plan the remaining work and timeline.

Status by Building: (highlighted cells indicate a change since previous report)

Building – Portland	% Complete	Building – Gorham	% Complete
LUTHER BONNEY HALL	87%	FIELD HOUSE, COSTELLO SPORTS COMPLEX	98%
SCIENCE BLDG, PTLD	89%	MCLELLAN HOUSE	93%
WOODBURY CAMPUS CENTER	**	RUSSELL HALL	65%
CENTRAL HEAT PLANT-P	100%	CORTHELL HALL	79%
ABROMSON COMM ED CTR	76%	JOHN MITCHELL CTR	83%
PAYSON SMITH HALL	85%	CENTRAL HEAT PLANT-G	73%
USM PARKING GARAGE	18%	FACILITIES MANAGEMENT BUILDING	100%
LAW BLDG	64%	COLLEGE AVE-007	100%
GLICKMAN FAMILY LIBRARY	74%	BROOKS STUDENT CTR	100%
WISHCAMPER CTR	96%	BAILEY HALL	86%
SULLIVAN REC & FITNESS CTR	88%	SCHOOL ST-128	25%
MASTERTON HALL	98%	SCHOOL ST-134	75%
BEDFORD ST-102	91%	HASTINGS HALL	22%
BEDFORD ST-092	84%	UPTON HALL	73%

BEDFORD ST-025, FACMGT	**	CARPENTER SHOP	50%
BEDFORD ST-094	86%	HILL GYM, COSTELLO SPORTS COMPLEX	88%
BEDFORD ST-098	100%	ICE ARENA, COSTELLO SPORTS COMPLEX	81%
BEDFORD ST-120	92%	COLLEGE AVE-051	60%
BEDFORD ST-106	100%	ADMISSION OFFICE	86%
BEDFORD ST-126	100%	ADMISSION BARN	100%
DEERING AVE-209	20%	HUSKEY DRIVE-028, PUBLIC SAFETY	52%
DEERING AVE-222	80%	ROBIE HALL	46%
DEERING AVE-228	46%	UPPER CLASS HALL	9%
EXETER ST-039	100%	WOODWARD HALL	26%
EXETER ST-045	80%	ANDERSON HALL	94%
EXETER ST-047	69%	ANDREWS HALL	50%
EXETER ST-055	73%	ACADEMY BLDG	100%
EXETER ST-059	96%	LEWISTON-AUBURN CENTER	90%
EXETER ST-049	88%		
EXETER ST 065	0%		




** Building demolished

Risks

- Campus closures and changes in health and safety regulations in response to the COVID-19 are impacting project schedule.
- Construction, office moves, and other facilities changes planned for the next 12-24 months may cause project delays.
- Constantly changing staff phone assignments and lack of clear processes for notifying IT when staff leave or are hired is a risk to a complete and accurate migration.
- There is a risk that we will not be able to migrate all services from this system before failure of the legacy system occurs.
- The network infrastructure in some buildings on the USM campus is not adequate for deploying VoIP phones. This poses a risk to both project schedule and budget.
- Availability of human resources is a risk to this project. Resources needed for this project will also be working on telecommunications upgrades at UMF and UMPI as well as providing operational support for all campuses.

Status Update – August 2021

ERP Assessment

Overall status:		Change from the previous report:	N
Budget status:		Change from the previous report:	N
Schedule status:		Change from the previous report:	N

Project Overview

The evaluation of the University of Maine System's (UMS) MaineStreet applications commenced in mid-July 2020 with Huron Consulting Services to assess current business processes, identify opportunities for improvement, and develop a plan to optimize processes and technology to support UMS' strategic objectives, particularly the requirements driven by Unified Accreditation. The desired outcomes for this engagement were to:

- Evaluate the current state of the shared ERP PeopleSoft (MaineStreet) environment
- Identify deficiencies created by the current platform configuration, business processes, and underlying data architecture
- Summarize functionality required for a unified, future-state ERP environment fully supporting the strategic priorities of the UMS, including Unified Accreditation and Collaborative Degree Programs.
- Identify efficiencies that may be attained through technological improvements or innovations including leveraging cloud-native solutions when feasible and realistic
- Evaluate opportunities for improvements within the current ERP platform to deliver future-state functionality and support current and emerging business needs, including a shared, unified course catalog.
- Recommend a plan to achieve UMS strategic outcomes through the realignment of technological tools, processes, and policies

Initiation Date	Sponsor	Original Estimated Completion Date	Actual Completion Date	Initial Budget	Current Budget Balance	Project % Complete	Comments
July 2020	David Demers	Nov 2020	July 2021	\$275,000	\$0	100%	




Status

Huron's final ERP roadmap recommendations were presented to the UMS BOT and approved during its May 2021 meeting. The project is now closed and efforts have transitioned to planning for the Repaving MaineStreet initiative.

Completed

- Questionnaires for Human Resources, Finance, Admissions, Student Records, Academic Advisement, Student Financials, Financial Aid, Reporting, Technology
- Workshops for Human Resources, Finance, Admissions, Student Records, Academic Advisement, Student Financials, Financial Aid, Reporting, Technology
- Current state assessments for Human Resources, Finance, Student, Reporting, and Technology
- Presentation to Presidents' Council of Huron's Unified Accreditation vision as it pertains to the ERP Roadmap
- Roadmap recommendations
- CIO/VC of Finance & Administration review of roadmap recommendations
- Presentation of roadmap recommendations to Presidents' Council
- Presentation of roadmap recommendations to BOT and approval to proceed.

Status Update August 2021**Repaving MaineStreet**

Overall status:		Change from the previous report:	N
Budget status:		Change from the previous report:	N
Schedule status:		Change from the previous report:	N

Project Overview

The Repaving MaineStreet initiative will be comprised of three primary projects: Implementations of HR and Finance cloud platforms and a reimplementation of PeopleSoft Campus Solutions. The overarching goal is to implement the opportunities for improvement identified during the ERP Assessment that will optimize processes and technology to support the University of Maine System's strategic objectives, particularly the requirements driven by Unified Accreditation.

7.1

Initiation Date	Sponsor	Original Estimated Completion Date	Current Estimated Completion Date	Initial Budget	Current Budget Balance	Project % Complete	Comments
September 2021	David Demers	December 2026	December 2026	\$16,800,000	\$16,800,000	0%	

Status

The following efforts are currently underway in preparation for the Repaving MaineStreet initiative:

- Consultations with functional area leads for HR, Finance, and Student systems are being conducted to verify the level of priority assigned to opportunities identified during the ERP Assessment. This work will be followed by mapping the prioritized opportunities into distinct projects.
- Demos of Oracle's Finance and HCM cloud platforms are being arranged. The purpose of the demos is to determine if Oracle's cloud platforms can support the opportunities and requirements identified during the ERP Assessment or if a review of other solutions is necessary.
- Preparations are underway for an RFP process to select a Repaving MaineStreet Implementation Partner that will work with the UMS during all project phases including planning, business process review, design, build, validation, transition, and initial post-go-live support. Additionally, the vendor will collaborate with the UMS to determine the appropriate resource allocation levels required to complete the projects within the UMS's target timeframe and will partner with the UMS to provide personnel who will work collectively as a team to make the project a success.




Completed

- Initial opportunity review sessions for:
 - HR - all areas
 - Finance - Planning & Budgeting
 - Student - Financial Aid, Admissions, Student Financials, Advising, Student Records

In Progress

- Initial Opportunity review sessions for:
 - Finance
 - Procurement/Travel & Expense
 - Chart of Accounts/GL
 - AR/Billing
 - Student
 - Combined Student Records & Advising session

Status Update – August 2021**MaineStreet User Experience Enhancements**

Overall status:		Change from previous report:	None
Budget status:		Change from previous report:	None
Schedule status:		Change from previous report:	None

Overview

This project is deploying the HighPoint User-Interface Platform (HCX) to streamline and improve usability, navigability, and utility of the MaineStreet environment for students and faculty alike.

7.1

Project	Initiation Date	Sponsor	Original Estimated Completion Date	Current Estimated Completion Date	Initial Budget	Current Budget Balance	Project % Complete	Comments
UX Enhancements	September 2018	David Demers	January 2019	*August 2021	\$1,148,237	\$623,479	98%	* Completion date for full launch of HCX to all UMS students

Summary Status

The full Launch of HCX, now simply referred to as the Student Center, successfully occurred on August 9. A Student Center button was added to the myCampus portal LaunchPads, providing direct navigation for students to access the updated Student Center and complete tasks and activities via the mobile-friendly and accessible interface. Faculty and professional advisors can access the Student Center via a tile on their MaineStreet Faculty Homepage, allowing them to view their advisees' information and use the "Act as User" function to replicate the student's view and aid in the advising process.

The Implementation Team will monitor and address support requests and general feedback throughout the start of the fall semester and anticipates starting project closeout activities in September.

Recently Completed

- Full Launch go-live
- Widespread communication with stakeholders regarding Full Launch
- Development of in-depth video demonstration for faculty and staff
- Technical testing and updates to both the test and production database environments, leading up to and at the time of go-live
- Continued discussions with functional area teams to inform improvements/ adjustments to configurations

In Progress

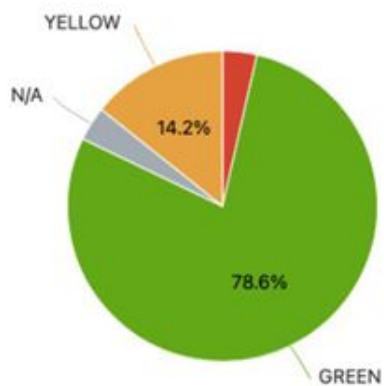
- Production support
- Continuous updating of support documentation, as needed
- Technical development to support continuous improvement of the student experience
- Initial planning for implementation of additional HighPoint modules

Risks & Mitigation Strategies

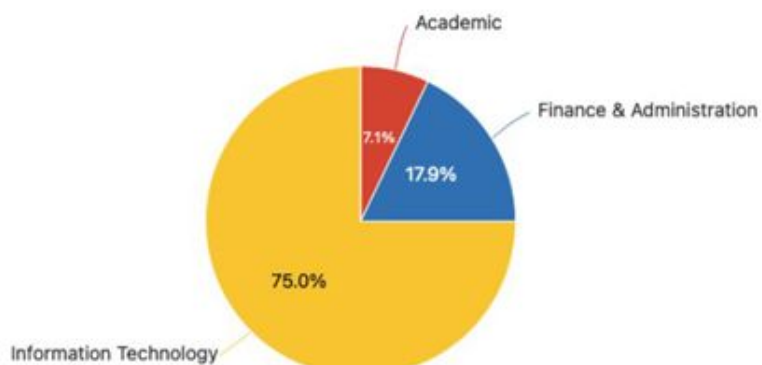
Risk	Risk Management Plan
Impact of the COVID-19 pandemic include a shift in resource availability, including students, for testing and feedback	Leverage staff resources efficiently and targeted, virtual outreach to students to solicit input

Failure to complete the project on schedule	Proactive planning, strong communication, and coordination processes, regular project team meetings, and a clearly defined escalation path for identifying and resolving issues.
Resource contention due to competing demands	Proactive project management approach with respect to planning and scheduling activities. Leverage qualified Highpoint resources to augment UMS resources when needed.
Changes to project scope	Perform fit/gap analysis and execute the change control process throughout the project.
A high volume of change within a short time period can result in training and support challenges.	Engaging with stakeholders at an early stage will help inform decisions regarding functional deployment, communication, and training.
Many MaineStreet self-service functions are customized and HighPoint modules are designed to work with native Peoplesoft functionality. Users will need to be able to access the appropriate features and functions of MaineStreet in the HighPoint environment.	Conducting a comprehensive analysis of functionality and customizations with functional and technical stakeholders will inform the development of the optimal user experience.

Active Project Health



Active Projects by Category



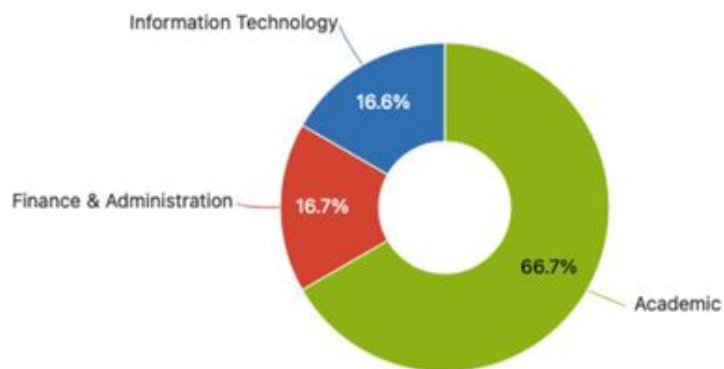
Project Health	Count
	1
GREEN	22
N/A	1
YELLOW	4
Total	28

Total Budget of Active Projects	
Sum of Budget	
Total	\$46,520,966.00

Category	Count
Academic	2
Finance & Administration	5
Information Technology	21
Total	28

Initiating Projects & RFPs

Category	Count
Academic	4
Finance & Administration	1
Information Technology	1
Total	6





US:IT Project (>\$250,000) Review

7.2

**Finance – Facilities – Technology
Committee
September 15, 2021**



**University Services
Information Technology**



US:IT Project (>\$250,000) Review

Overview



7.2

Project	Budget	Status	Update	Projected Completion
Classrooms for the Future	\$4.945M	99%	Final work completed for opening of FA 2021 term	Final classroom assessments to be completed this FA; project to be closed.
Web Conferencing Upgrades	\$2.563M	98%	Installations completed at all campuses	Final classroom assessments to be completed this FA; project to be closed.
UMS Wireless Infrastructure	\$13.215M	99%	Installation completed at all campuses aside from USM	Final fiber infrastructure work at USM to be scheduled pending available supply
VoIP (UMF; UMPI; USM)	UMF: \$499K UMPI: \$291K USM: \$809K	99% 100% 75%	Project complete/nearly complete for UMF, UMPI; USM work focused on converting remaining analog phone extensions	Failure of legacy Nortel phone system at USM forced reprioritization of project resources to restore service to the campus; project timeline to be reassessed in September.
ERP Assessment	\$275K	100%	Project is complete; provided framework for the <u>Repaving MaineStreet Initiative</u>	COMPLETE



US:IT Project (>\$250,000) Review

Repaving MaineStreet

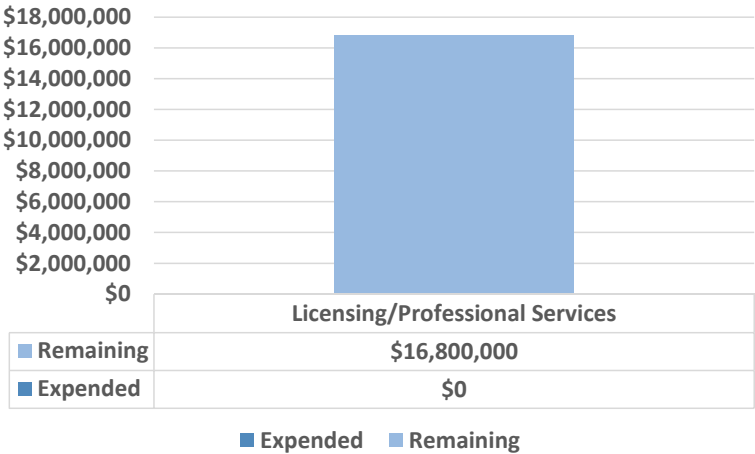


Maine's
Public
Universities

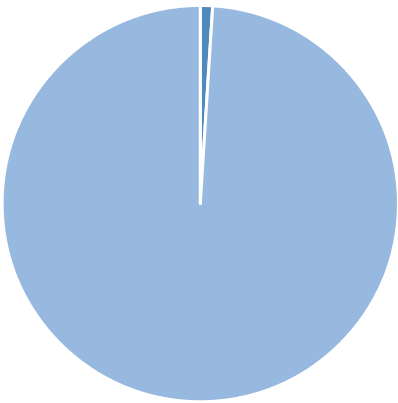
UNIVERSITY OF MAINE SYSTEM

7.2

Project Budget - \$16.8M



1 % Complete (Sep)



Overall status:

Budget status:

Schedule status:



Initiation Date	Sponsor	Original Estimated Completion Date	Current Estimated Completion Date	Initial Budget	Current Budget Balance	Project % Complete
September 2021	David Demers	December 2026	December 2026	\$16,800,000	\$16,800,000	1%





US:IT Project (>\$250,000) Review

Repaving MaineStreet



7.2

• Project Overview

- Reimplementation of Campus Solutions SIS, Implementation of cloud-enabled HR and Finance solutions to support Unified Accreditation, address UMS strategic priorities, and promote operational efficiency

• Recently Completed:

- Final review and approval of the Huron ERP Assessment report
- Opportunity review and planning meetings with functional area groups completed (September)

• Upcoming:

- Functional demos of Oracle cloud solutions (HR, Finance/Budgeting) scheduled for October
- RFQ for Implementation Partner
- Project Planning and Activity Mapping

Functional Areas

Admissions
Financial Aid
Student Records
Student Financials
Advising
Human Resources
Finance (Planning & Budgeting)





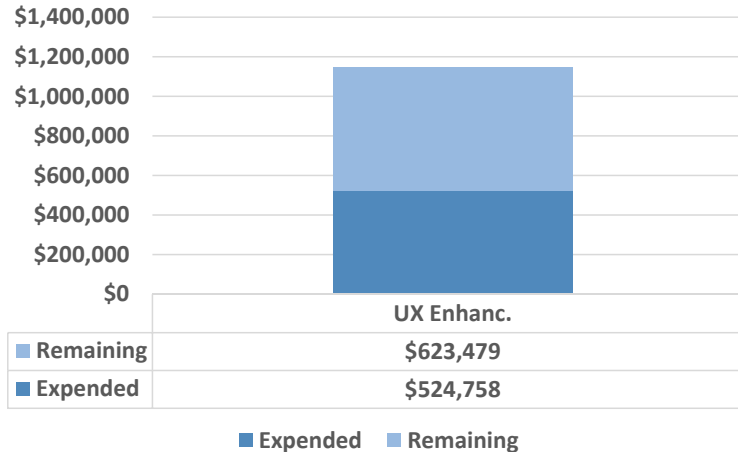
US:IT Project (>\$250,000) Review

MaineStreet User Interface Enhancements

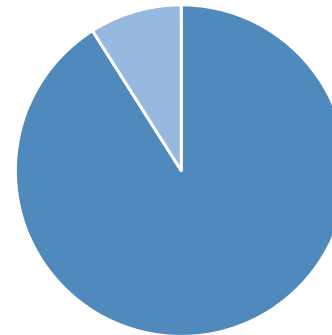


7.2

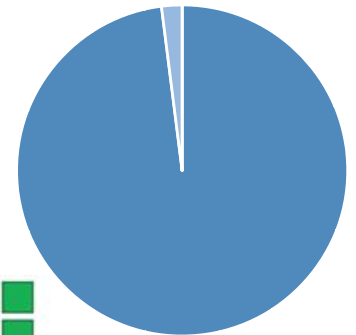
Project Budget - \$1.15M



Jun (91% Compl)



Sep (98% Compl)



Overall status:
Budget status:
Schedule status:



Project	Initiation Date	Sponsor	Original Estimated Completion Date	Current Estimated Completion Date	Initial Budget	Current Budget Balance	Project % Complete
UX Enhancements	September 2018	David Demers	January 2019	*August 2021	\$1,148,237	\$623,479	98%





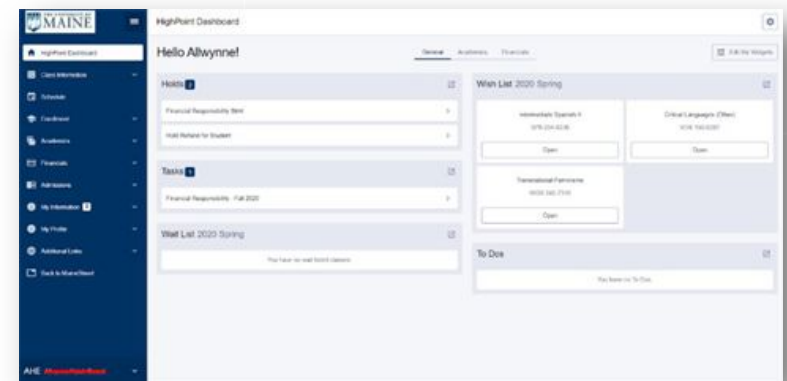
US:IT Project (>\$250,000) Review

MaineStreet User Interface Enhancements



7.2

- **Recently Completed:**
 - “New MaineStreet Experience” (MaineStreet Student Center) has been launched for all students
 - New quick access buttons have been deployed on the UMS portal (for students, faculty, advisors)
 - Video walkthroughs for faculty, staff published
 - Utility for advisors to replicate student view (“Act as User”) for advising and training
 - Updated support documentation for students, faculty, staff
 - *****Enabled ability for faculty to enter grades in Brightspace LMS to push to MaineStreet***
- **In Progress:**
 - Planning for implementation of additional modules, including Schedule Planner and Schedule Builder



University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: FY2022 Finance, Facilities & Technology Committee Work Plan

INITIATED BY: James O. Donnelly, Chair

BOARD INFORMATION: X **BOARD ACTION:**

BOARD POLICY:

UNIFIED ACCREDITATION CONNECTION:

BACKGROUND:

Annually, a work plan for the Finance, Facilities & Technology Committee is formulated. The work plan is intended to cover both action items required for governance of the University of Maine System and those topics of importance and interest to the Board. Trustee Donnelly and Vice Chancellor Ryan Low will review the draft plan with the Committee in preparation for inclusion in the September Board of Trustee meeting materials.

University of Maine System
Board of Trustees

**Finance, Facilities & Technology Committee
Work Plan FY2022**

Standing Agenda

1. Finance, Facilities or Technology items requiring Committee and/or Board approval
2. Updates from staff on finance, facilities and technology informational items
 - Including KPIs and System-wide financial update
3. Capital Projects Status Report for all projects requiring Committee and/or Board approval
4. Major Technology Projects Status Report for all projects requiring Committee and/or Board approval

Ad Hoc Agenda

- Review Finance KPIs (July meeting)
- Request for Appropriation (Sept. meeting)
- **Joint Meeting of the Audit Committee and the Finance/Facilities/Technology Committee** (late October/early November meeting)
 - External Auditor Report including Required Communications Letter and Summary of Audit Results
 - Presentation of the Annual Financial Report (Audited Financial Statements)
 - Update on Internal Audit
- Annual State of IT Report (February meeting)
- Sightlines Annual Report on the status of the facilities portfolio (January meeting)
- First reading of the Annual Operating, Capital Budget and Tuition Charges (March meeting)
- Second reading of the Annual Operating, Capital Budget and Tuition Charges (April meeting)
- Approval of Annual Operating Budget, Capital Budget and Tuition Charges (May meeting)
- Multi-Year Financial & Structural Gap Analysis (May meeting)
- Review of 5-year Capital Plan (November / May meeting)

Informational Reports to the Board

Every Board Meeting

Financial Update and KPI update

September Meeting

Annual Report on Acquisition & Disposition of Real Property

November Meeting

Annual Report on Gifts, Fund Raising and Endowments (w/ Foundations)
Current Fiscal YTD Forecast to Budget

January Meeting

Maine Economic Improvement Fund Report
Student Financial Aid Report
State of IT Report
Sightlines Report

March Meeting

Student Charges Report
Current Fiscal YTD Forecast to Budget

May Meeting

Multi-Year Financial Analysis
5-year Capital Plan
Current Fiscal YTD Forecast to Budget

Committee Meeting Schedule

The Committee meets seven times during the year in advance of the Board of Trustees meetings.

In March, the Committee schedules a full day meeting to review, in depth, the Annual Operating Budget and Tuition Charges for the upcoming fiscal year. The Committee will meet again in April to review operating budget a second time.

Additional meetings may be scheduled as required.

University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Renovation through Replacement example, UMFK

INITIATED BY: James O. Donnelly, Chair

BOARD INFORMATION: X

BOARD ACTION:

BOARD POLICY: N/A

UNIFIED ACCREDITATION CONNECTION: N/A

BACKGROUND:

At the February 26, 2020 Finance, Facilities and Technology meeting and March 16, 2020 Board of Trustees meeting, UMFK presented the Enrollment and Advancement Center project for approval.

Following the recent President's Bus Tour visit and as UMFK takes occupancy, this information item is intended to provide a recap of this project as an example of renovation through replacement; resulting not only in a reduced square footage but also an increased Net Asset Value and decrease in deferred maintenance. The scale of this project and related work is modest, but that does not take away from the good story it tells.

With the construction and the ribbon cutting recently completed, the Enrollment and Advancement Center (EAC) is a 5,200 square foot facility built on the corner of Pleasant Street and University Drive in Fort Kent. Admissions, Public Relations, Enrollment Management, and the UMFK Foundation/Alumni offices are housed therein. The building includes a reception area and two conference rooms as well.

This building replaces the functions previously housed in 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 was removed in 2019 and the St. David House is scheduled to be removed during the fall of 2021. In addition, UMFK committed to removal of the Cyr House, which is 2,514 square feet with \$474,873 of deferred maintenance.

Overall, this project provides for a gross reduction of more than 10,000 square feet and a net reduction in footprint of approximately 5,000 square feet. Deferred maintenance and capital renewal needs of \$1,960,286 were also eliminated and a decrease of approximately \$43,000 in annual operating costs is expected. Pursuant to an estimate prepared for UMFK by Sightlines the campus Net Asset Value increased from 59 percent to 61 percent.

This project is a superb example of one method for addressing the backlog of deferred maintenance on our campuses.

Renovation through Replacement example, UMFK



9.1



9/3/2021



9.1

9/3/2021

University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Space Reduction Update, UMS

INITIATED BY: James O. Donnelly, Chair

BOARD INFORMATION: X

BOARD ACTION:

BOARD POLICY:

UNIFIED ACCREDITATION CONNECTION:

BACKGROUND:

This is an update regarding the effort to constrain facility growth and reduce the space occupied by the University of Maine System with the ultimate goals of better positioning the UMS to recruit and retain talented students, staff, and faculty and to provide affordable, quality higher education.

Since March 2015, Trustees have not permitted any increases in University space without explicit Trustee approval in order to constrain costs, improve the condition of University facilities and increase the use of existing facilities in pursuit of those ultimate goals. Trustees have generally required off-setting reductions when approving such increases, though there have been exceptions when increases were granted without such off-sets. One such exception is in regard to research space. Since January of 2020, in support of the Trustees Strategic Goals and Actions related to research spaces, the Board authorized the Chancellor to approve space increases when the space is for research purposes.

The attached data reflects historic information on space reduction and addition activities since 2010. The data identifies nearly 450,000 square feet of space identified for removal and a net reduction in space of approximately 300,000 square feet since 2010. While some of the space identified for removal in the list remains standing today, all of the space accounted for on the list is still being considered for removal.

Recent System Initiatives

At the May 20, 2019 Board meeting, the Board authorized expenditure of up to \$3.4 million (\$1.7 million per year) from the Trustees' Strategic Investment Funds during FY2020 and FY2021 for the reduction of University facility space statewide. Due to the State appropriation curtailment, the amount of funding available was reduced to \$2,550,000.

With that funding during FY2020 and FY2021, a total of approximately 73,000 square feet and 11 structures were removed.

09/03/2021

Earlier this year, the Treasurer identified State appropriation budget which, in addition to the current annual demolition budget, could be used to provide debt service over ten years for an approximately \$14 million bond to be issued in FY2023, contingent upon Board approval. This would allow the System to continue with the campus led demolition and space reduction projects.

A preliminary plan to utilize this additional funding envisions removal of over 60 structures and approximately 524,000 square feet of space across the System for a total cost of nearly \$20 million. The campuses will need to provide some matching funds to cover the gap between the \$14 and \$20 million. Some of this space overlaps with earlier lists, however since the 2019 approval the total new space identified for removal is over 520,000 square feet.

Overall project summary:

In summary, since 2010 campuses have identified nearly 880,000 square feet of space for removal. To date approximately 318,000 square feet of space has been removed, and with the current and potential future funding it is expected that the remaining space can be removed in the next five to ten years.

Since 2019, funding has been identified to provide nearly \$17 million in support of campus space reductions. The amount of space to be removed with this support is estimated to total nearly 650,000 square feet across over 80 structures. Removing these structures eliminates approximately \$80 million in deferred maintenance. The average renovation age of the structures identified for removal is over 65 years old, with a Net Asset Value averaging less than 40%.

The removal of this space is expected to slow the increase in the percentage of University buildings over 50 years old and the overall renovation age of the System building portfolio. Because of the removals and the addition of newer space the System Net Asset Value is expected to increase from 53.6% to 56.4% by FY2027.

University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Capital Projects Status Report and Bond Projects Update, UMS

INITIATED BY: James O. Donnelly, Chair

BOARD INFORMATION: X

BOARD ACTION:

BOARD POLICY:

UNIFIED ACCREDITATION CONNECTION:

BACKGROUND:

Capital Project Status Report - Executive Summary

Overview:

Attached is the Capital Project Status Report for the September 15, 2021 meeting of the Finance, Facilities and Technology Committee. The report reflects a total of 21 projects with no additions or deletions since the last report. Note that the project highlighted in yellow (UMaine's UMEC project) is intended to reflect current P3 projects. Additional P3 projects will be similarly highlighted moving forward as they are added.

In addition to the Board approved projects with values greater than \$500,000 this report includes a separate list of all projects related to the Harold Alfond Foundation Grant, regardless of \$ value. This additional report is a work in progress, and we will continue to update it with improved information over the next few months.

While the number of Board approved projects has remained in the range of about 20 for the past few years, the total dollar value of these approved projects, at over \$200 million, has increased nearly four times the value seen just two years ago.

COVID-19 Impact on Capital Construction:

Projects continue to move forward at this time however, impacts continue.

- Previously reported impacts continue to be relevant.
 - In particular, various material shortages and delays continue, causing potential schedule and cost impacts to our projects.

Bond Project Status Report:

The special portion of this report calling out only bond projects reflects forty-nine (49) projects; an increase in four projects since the last report include three projects at Machias and one for Farmington?. The projects are currently estimated to account for approximately \$45 million of the \$49 million in voter approved general obligation bond funding. Over \$15 million of that has been expended.

Supplemental funding is being leveraged for some of these projects and the total estimated project value across all funds currently stands at over \$57 million, including the bond funding

9/3/2021

and other project resources.

- Ten (10) of the active bond projects also appear on the Capital Project Status Report with approved budgets above board threshold.
- Two (2) projects are expected to be brought to the board for additional authorization as design progresses but are currently in design and pre-design phases with budgets below the board approval threshold.
- The remaining bond funded projects do not have budgets that meet the threshold for Board of Trustees consideration and are therefore not present on the Capital Projects Status Report. As projects are closed out they will be moved to the completed projects section on this report and will remain on the report for documenting purposes until all Bond Projects are completed.
- The Completed project section reflects 13 projects that are complete. There are another three projects in the active projects table listed as complete and substantially complete. These will move to the completed section once closeout is finalized.

Future reports will be updated to reflect additional active Bond projects as the information becomes available.

Research space approvals:

This report provides timely and appropriate disclosure of Chancellor-approved increases in University owned or occupied space when the space is for research purposes, as approved by the Board of Trustees at the January 2020 Board Meeting: No new approvals to report at this time.

Harold Alfond Foundation (HAF) Grant funded projects:

The designer selection process in support of the MCECIS Master Plan concluded in July and the selected firm, Perkins Eastman of Boston, MA in partnership with SMRT of Portland, ME have begun work.

The selection process for design of the UMaine Athletics projects continues. A final selection is anticipated in September.

USM Portland Development Project:

The Portland Commons' site utility and foundations work continues. All new utilities will be at the project site by mid-September. Superstructure framing of the Portland Commons will begin in September and continue for nearly a year. Installation of exterior wall panels is expected to begin in mid-September. Career and Student Success Center site work and foundations continue.

UMF and UMPI Residential Housing P3 Initiative:

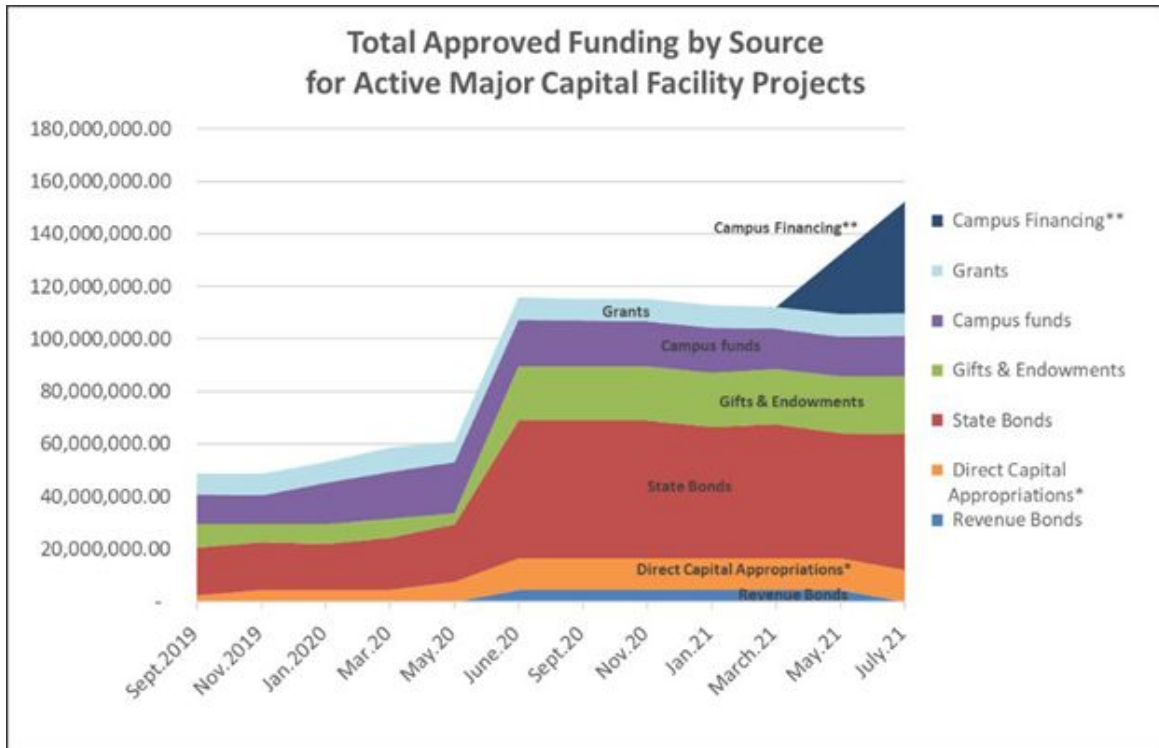
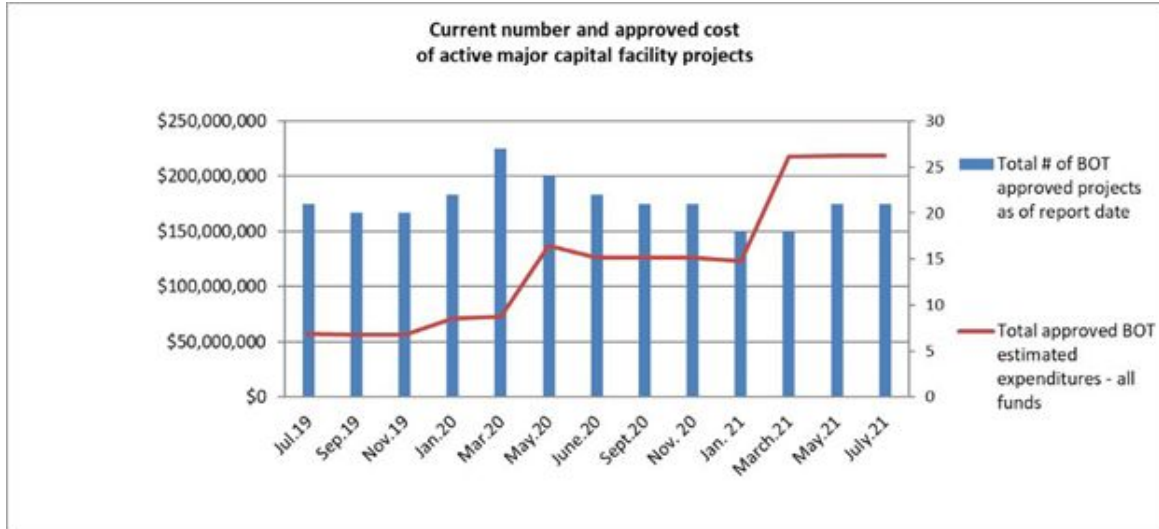
Project review continues. More information expected at the next meeting.

UM Ferland Engineering Education & Design Center Project:

All of the interior concrete slabs are in place; all three concrete masonry stairwells are in operation; membrane roofing is nearing 3/4 completion, air handlers and exhaust fans are in place in the penthouse and connection between them and the building systems is in progress; the penthouse and third floor interior wall framing is nearing completion with mechanical, plumbing and electrical rough-in in the third floor walls in progress; Interior wall framing is in progress on the second floor and portions of the first floor; exterior framing, exterior sheathing, vapor barrier installation continues; granite and brick veneer installation is in progress starting on the west side of the building, exterior curtain wall installation and glazing has started; exterior sitework items outside the site fence have been accomplished this summer and sitework activities continue

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within the site fence now that the semester has started. The project continues on schedule.



*Direct Capital Appropriations funds consist of capital appropriations in anticipation of revenue bonding, as well as MEIF funds.

** Campus Financing demonstrates the use of interim financing in the form of a Bond Anticipation Note as approved at the March 2021 meeting of the Board.

Capital Project Status Report
Board Approved Projects
September 2021 - Finance, Facilities and Technology Committee
With Grand Totals and % of Current Approved Estimates

Campus, Project Name (Project ID)	Funding Source(s) & each source's share of expenditures to date	Status	Original Estimated Completion	Current Est. Completion	Original Approved Estimate	Current Approved Estimate	Total Expense to Date	% Expended of Current Approved Estimate	Prior Actions, Information & Notes
UMA									
Randall Welcome Center (1100085)	2018 State Bond (100%)	Construction in Progress	2021	2021	\$2,150,000	\$2,150,000	\$135,074	6%	Board approved \$2.15M May 2021. The approval of 1100085 in May of '21 replaces 1100077.
Handley Hall A/C replacement (1200029)	2018 State Bond (100%)	Design in Progress	2020	2022	\$575,000	\$575,000	\$26,433	5%	Board approved \$575K in September, 2019.

UM									
ASCC Building Addition GEM Lab (5100579)		Pre-Design in Progress			\$1,500,000	\$1,500,000	\$0	0%	Board approved \$1.5M May 2021.
Advanced Structures and Composites Center Expansion/ASCC Equip W2-Thermoplastics Lab/ASCC Equip W2 Tow Carriage (5100316, 5100414, 5100432)	2010 State Bond (49%), Grants (44%), Gifts (7%), Campus E&G Funds (0%)	Project 5100316 is Complete, Project 5100414 Design in Progress, Project 5100432 is Complete	2014	2021	\$6,400,000	\$10,400,000	\$9,518,011	92%	Board approved \$6.4M in November, 2012. Board approved \$1.6M in March 2014. Board approved increase of \$871,000 in March 2015. BOT approved additional \$1.5M in May 2016 for equipment project.
Darling Marine Center Waterfront Infrastructure (5100459, 5100460, 5100461)	Grants (64%), Campus E&G Funds (31%) Gifts (4%) State Appropriations (1%)	Substantially Complete	2017	2021	\$3,000,000	\$5,200,000	\$4,712,579	91%	Board approved \$3M in July, 2017. Board approved increase of \$2.2M in September, 2019.
UM Ferland Engineering, Education and Design Center (5100458, 5100493, 5100546, 5200604)	Campus Funds (4%), State Approp (50%) Gifts (10%) Campus Financing (33%) (Other 3%)	Construction in Progress	2024	2024	\$1,000,000	\$72,000,000	\$24,010,377	33%	Board approved \$1M in September, 2017. Board approved additional \$8M in May, 2018. Additional \$63M BOT approved March, 2020 Initial occupancy of this facility is expected in 2022; final completion in 2024.
ASCC Renovation - Mezzanine Office Expansion (5100525)	Campus E&G Funds (15%) Grants (85%)	Substantially Complete	2020	2021	\$450,000	\$1,400,000	\$995,544	71%	Board approved \$1,400,000 March, 2020
UM Energy Center Phase II (5100516, 5100517)	Campus E&G Funds (83%) Grants (17%)	Pre-Design in Progress	2023	2022	\$5,700,000	\$5,700,000	\$417,875	7%	Board approved \$5.7M March, 2019.
**Neville Hall Renovations (5100534)	State Bond (100%)	Construction in Progress	2021	2022	\$1,500,000	\$1,500,000	\$192,009	13%	Board approved up to \$1.5M expenditure in March 2021.

UMF									
Dearborn Gym HW Upgrades (2100087)	2018 State Bond (100%)	Complete	2019	2021	\$600,000	\$850,000	\$812,381	96%	Board approved \$600K in March, 2019. Board approved additional \$250K in May, 2019.

UMFK									
UMFK Enrollment/Advancement Center (3100042)	Bond (100%)	Construction in Progress	2022	2021	\$3,249,000	\$3,249,000	\$1,838,894	57%	Board approved \$2.99M in Bond Funding, March, 2020. Plus, \$259K for a total of \$3,249,000.

Capital Project Status Report
Board Approved Projects
September 2021 - Finance, Facilities and Technology Committee
With Grand Totals and % of Current Approved Estimates

Campus, Project Name (Project ID)	Funding Source(s) & each source's share of expenditures to date	Status	Original Estimated Completion	Current Est. Completion	Original Approved Estimate	Current Approved Estimate	Total Expense to Date	% Expended of Current Approved Estimate	Prior Actions, Information & Notes
USM									
Bailey Hall Fire Protection and Electrical Upgrades (6100316, 6100323)	2018 State Bond (39%), Campus E&G (61%)	Project 6100316 is Construction in progress, Project 6100323 is Complete	2019	2021	\$2,580,000	\$4,388,000	\$3,761,179	86%	Board approved \$2.58M in January, 2019.
Career and Student Success Center and Portland Residence Hall (6100325, 6100338)	2018 State Bond (32%), Campus Financing (68%)	Construction in Progress	2020	2023	\$1,000,000	\$99,400,000	\$11,282,778	11%	Board approved \$1M in January, 2019. Board approved predevelopment expenditures of up to \$5.7M combined for the two projects in January 2020. Board approved an increase by \$93.7M in February 2021.
USM Center for the Arts (6100300)	Gifts (100%)	Design in Progress	2022	2023	\$1,000,000	\$1,000,000	\$853,135	85%	Board approved \$1M in January, 2018.
**Port Parking Garage Study (6100331)	Campus E&G Funds (100%)	Design in Progress	2022	2023	\$1,200,000	\$1,200,000	\$223,517	19%	Board approved in March 2020 with initial spending limit of \$400,000; addtl \$800,000 authorized by the Chancellor and Vice Chancellor for Finance and Administration and Treasurer in April, 2021.
***Wishcamper Parking Lot (6100330)	Campus E&G Funds (100%), Capital Reserves (0%)	Hold	2020	2021	\$1,710,000	\$1,710,000	\$276,842	16%	Board approved \$1.71M in January, 2020. Per USM Parking plan update of May, 2021 this project will be removed.
Fitness Equipment Purchase and Space Renovation (0000000)		Hold	2020	2021	\$700,000	\$700,000	\$0	0%	Board Approved March, 2020. No expenditures as of yet.
USM Steam Line (6100361)	Campus E&G Funds	Construction in Progress	2021	2021	\$600,000	\$600,000	\$0	0%	Board approved \$600K in May 2021
UMPI									
Wieden Renovation Bond (7100025)	Bond (100%)	Design in Progress	2020	2021	\$3,757,000	\$3,757,000	\$83,077	2%	Board approved \$3.7M May 2021.
Folsom 105 Nursing Renovation (7100026)	Bond (100%)	Substantially Complete	2020	2021	\$800,000	\$800,000	\$709,368	88%	Board approved \$800K March, 2020.
UMPI Solar Array (7100023)	Campus E&G Funds (100%)	Bidding	2020	2021	\$700,000	\$700,000	\$134,639	19%	Board approved \$700K June, 2020.
HAF projects which are currently below board level									
Campus, Project Name (Project ID)	Funding Source(s) & each source's share of expenditures to date	Status	Original Estimated Completion	Current Est. Completion	Total Expense to Date	Prior Actions, Information & Notes			
UM - Engineering Ph III - MCECIS Master Planning (5200692)		Pre-Design				HAF Funded project. Below Board level.			
UM - HAF Athletics Master Plan (5200696)		Pre-Design				HAF Funded project. Below Board level.			
UM - Morse field Turf Replacement (5100559)		Substantially Complete				HAF Funded project. Below Board level.			
Explanatory Notes: * Project is new as of this report. ** Details of this project include updates since the last report. *** This project has been completed since the last report and is not expected to appear on the next report. Highlighted: Board level HAF and P3 Projects	Funding source(s) reflects primary source(s) for project.	Calendar Year unless otherwise noted.				Percentage expended reflects total expended as of July 31, 2021 as a percentage of the current approved project estimate.			

Bond Project Status Report
Active Bond Projects
September 2021 - Finance, Facilities, and Technology Committee
With Grand Totals and % of Current Approved Estimates

Campus, Project Name (Project ID)	Status	Original Estimated Completion	Current Est. Completion	Funding Source(s) & each source's share of expenditures to date	Estimated Bond Funding for Project	Bond Funding Expended	Total Estimated Project Cost	Prior Actions, Information & Notes
UMA								
Handley Hall A/C Replacement (1200029)	Design in Progress	2020	2022	Bond (100%)	\$525,000	\$26,433	\$575,000	Board approved budget of \$575,000 in September, 2019
**Bangor Campus Welcome Center (1100534)	Construction in Progress	2021	2021	Bond (88%) Campus (12%)	\$475,000	\$168,584	\$475,000	
Randall Welcome Center (1100085)	Construction in Progress	2021	2021	Bond (100%)	\$2,150,000	\$135,074	\$2,150,000	Board approved \$2.15M May 2021. The approval of 1100085 in May of '21 replaces 1100077.
Randall 2nd Floor Renovations (1100083)	Construction in Progress	2021	2021	Bond (100%)	\$100,000	\$36,605	\$100,000	
Randall Center Student Lounge (1100084)	Construction in Progress	2021	2021	Bond (100%)	\$150,000	\$137,673	\$150,000	
Randall Admissions Renovations (1200083)	Design in Progress	2021	2021	Bond (100%)	\$65,000	\$22,088	\$65,000	
Katz Library HVAC Repairs (1200061)	Design in Progress	2021	2022	Bond (100%)	\$450,000	\$29,594	\$450,000	
Total Bond for Campus					\$3,915,000	\$556,051	\$3,965,000	
UMF								
Scott Hall Renovations (2100092)	Construction in Progress	2019	2022	Bond (100%)	\$200,000	\$193,660	\$200,000	
**Scott North Renovation (2100109)	Construction in Progress	2021	2021	Bond (100%)	\$150,000	\$1,414	\$150,000	
*Scott South Renovations (2200102)	Construction in Progress	2022	2022	Bond (100%)	\$125,000	\$7,531	\$125,000	
**Scott West Renovation (2100110)	Construction in Progress	2021	2021	Bond (100%)	\$175,000	\$620	\$175,000	
Dakin Hall Shower Renovations (2100093)	On Hold	2019	2021	Bond (100%)	\$200,000	\$92,207	\$200,000	
Lockwood Hall Shower Renovations (2100094)	On Hold	2019	2021	Bond (100%)	\$200,000	\$84,199	\$200,000	
Stone Hall Renovations (2100095)	Construction in Progress	2019	2022	Bond (100%)	\$200,000	\$131,355	\$200,000	
274 Front St Renovation (2100096)	On Hold	2020	2022	Bond (64%) Campus (36%)	\$450,000	\$18,744	\$1,000,000	Approved budget of \$450,000, as it remains in study/design phase.
FRC Roof Replacement (2100111)	Design in Progress	2021	2021	Bond (100%)	\$60,000	\$17,685	\$60,000	
FRC Façade Replacement (2100112)	Design in Progress	2022	2022	Bond (100%)	\$60,000	\$4,621	\$60,000	
Exterior Painting Merrill Hall (2200096)	Bidding	2020	2021	Bond (100%)	\$40,000	\$764	\$40,000	
Olsen Center Renovations (2100102)	On Hold	2023	2023	Bond (100%)	\$1,900,000	\$69,717	\$1,900,000	Approved budget of \$300,000, as it remains in study/design phase.
Mantor Library Renovations (2100103)	Construction in Progress	2021	2022	Bond (100%)	\$300,000	\$224,829	\$300,000	
Campus ADA Ramps (2100104)	Construction in Progress	2021	2021	Bond (100%)	\$115,000	\$19,479	\$100,000	
Roberts HVAC Upgrade (2100106)	Design in Progress	2021	2021	Bond (100%)	\$150,000	\$16,510	\$150,000	
Merrill Hall HVAC Upgrade (2100107)	Design in Progress	2021	2021	Bond (100%)	\$400,000	\$14,091	\$400,000	
Ricker Addition Renovation (2100108)	Design in Progress	2021	2021	Bond (0%)	\$175,000	\$30,655	\$175,000	
Dearborn Gym Hot Water Upgrades (2100087)	Complete	2019	2021	Bond (100%)	\$850,000	\$812,381	\$850,000	

Bond Project Status Report
Active Bond Projects
September 2021 - Finance, Facilities, and Technology Committee
With Grand Totals and % of Current Approved Estimates

Campus, Project Name (Project ID)	Status	Original Estimated Completion	Current Est. Completion	Funding Source(s) & each source's share of expenditures to date	Estimated Bond Funding for Project	Bond Funding Expended	Total Estimated Project Cost	Prior Actions, Information & Notes
UM					Total Bond for Campus	\$5,750,000	\$1,740,462	\$6,285,000
Neville Hall Renovation (5100534)	Design in Progress	2021	2022	Bond (100%), Campus E&G (0%)	\$1,500,000	\$192,009	\$1,500,000	Board approved up to \$1.5M expenditure in March 2021.
*UMM Science Bldg Rm 010 Renovation (5100575)	Design in Progress	2021	2021	Bond (100%)	\$100,650	\$8,674	\$100,650	
					Total Bond for Campus	\$1,500,000	\$192,009	\$1,500,000
UMFK								
UMFK Enrollment/Advancement Center (3100042)	Construction in Progress	2022	2021	Bond (100%)	\$2,990,000	\$1,838,898	\$3,249,000	Board approved \$2.99M in Bond Funding, March, 2020. Plus, \$259K for a total of \$3,249,000.
					Total Bond for Campus	\$2,990,000	\$1,838,898	\$3,249,000
UMM								
*Reynolds Renewal (4100047)	Construction in Progress	2021	2021	Bond (100%)	\$400,000	\$129,792	\$400,000	
*Dorward Hall Roofing (4200048)	Construction in Progress	2021	2021	Bond (100%)	\$45,000	\$32,939	\$45,000	
					Total Bond for Campus	\$45,000	\$32,939	\$45,000
USM								
Career and Student Success Center (6100325)	Construction in Progress	2022	2023	Bond (100%)	\$19,000,000	\$3,613,490	\$26,551,000	Board approved \$1M in January, 2019. Board approved predevelopment expenditures of up to \$5.7M combined with the residence hall project in January 2020. Board approved an increase by \$93.7M in February 2021, of that amount, the specific budget for the CSSC is \$26.6M.
Bailey Hall Fire Protection and Electrical Upgrades (6100316, 6100323)	Project 6100316 Construction in Progress, Project 6100323 is Complete	2019	2021	Bond (43%), Campus E&G Funds (57%)	\$1,460,000	\$1,456,999	\$4,388,000	Board approved \$2.58M in January, 2019. Board approved additional \$1.808M in January, 2020.
Nursing Simulation Lab Science (6100327)	Complete	2021	2021	Bond (100%)	\$1,500,000	\$1,301,740	\$1,500,000	Board approved \$1.5M in January, 2020.
***Robie Andrews Renovation (6100339)	Construction in Progress	2021	2021	Campus E&G Funds (100%)	\$491,605	\$0	\$491,605	Funding source changed from Bonds. Will be removed from list.
					Total Bond for Campus	\$22,451,605	\$6,372,229	\$32,930,605
UMPI								
Wieden Renovation Bond (7100025)	Design in Progress	2020	2021	Bond (100%)	\$3,757,000	\$83,077	\$3,757,000	Approved budget of \$125,000, as it remains in study/design phase. Board approved \$3.7M May 2021.
Folsom 105 Nursing Renovation (7100026)	Substantially Complete	2020	2021	Bond (100%)	\$800,000	\$709,368	\$800,000	Board approved \$800K March, 2020.
					Total Bond for Campus	\$4,557,000	\$792,445	\$4,557,000
					Totals:	\$41,163,605	\$11,492,094	\$52,486,605

Bond Project Status Report
Active Bond Projects
September 2021 - Finance, Facilities, and Technology Committee
With Grand Totals and % of Current Approved Estimates

Campus, Project Name (Project ID)	Status	Original Estimated Completion	Current Est. Completion	Funding Source(s) & each source's share of expenditures to date	Estimated Bond Funding for Project	Bond Funding Expended	Total Estimated Project Cost	Prior Actions, Information & Notes
Completed Bond Projects								
Augusta Campus Welcome Center (1100077)	Closed	2021	2021	Bond (100%)	\$350,388	\$350,388	\$350,388	UMA
Jewett Hall Boiler Design Work (1200062)	Complete	2021	2021	Bond (100%)	\$305,000	\$321,287	\$321,287	UMA
274 Front St Acquisition (2100089)	Complete	2019	2019	Bond (100%)	\$850,820	\$850,820	\$850,820	UMF
UMF Campus Paving (2100097)	Complete	2019	2019	Bond (100%)	\$97,338	\$97,338	\$97,338	UMF
FRC Floor Renovation (2100098)	Complete	2019	2019	Bond (100%)	\$209,503	\$209,503	\$209,503	UMF
Dakin Flooring, Ceiling, Light (2100105)	Complete	2021	2021	Bond (100%)	\$206,187	\$206,187	\$206,187	UMF
UMM Science Building Roof Replacement (4100042)	Complete	2020	2020	Bond (100%)	\$280,487	\$280,487	\$280,487	UMM
UMM Dorward Hall Roof Replacement (4100043)	Complete	2020	2020	Bond (100%)	\$296,092	\$296,092	\$296,092	UMM
UMM Sennett Roof Replacement (4100044)	Complete	2020	2020	Bond (100%)	\$201,257	\$201,257	\$201,257	UMM
UMM Reynolds Center Roof Repair (4200044)	Complete	2020	2020	Bond (100%)	\$154,226	\$154,226	\$154,226	UMM
UMM Site Work (4200045)	Complete	2020	2020	Bond (100%)	\$57,365	\$57,365	\$57,365	UMM
Woodward Hall Renovations (6100301)	Complete	2019	2019	Bond (86%), Campus E&G Funds (14%)	\$1,008,395	\$1,008,395	\$1,172,840	USM
Ricci Lecture Hall Renovations (6100308)	Complete	2019	2020	Bond (31%), Gifts (43%), Campus E&G Funds (26%)	\$172,010	\$172,010	\$564,197	USM
Totals:					\$4,189,068	\$4,205,355	\$4,761,987	
GRAND Total (Active and Completed Projects)					\$45,352,673	\$15,697,449	\$57,248,592	
Explanatory Notes: * Project is new as of this report. ** Details of this project include updates since the last report. Completed projects will remain on this report unless otherwise specified.	Funding source(s) reflects primary source(s) for project.	Calendar Year unless otherwise noted.						Bond Funding expended reflects total expended as of July 31, 2021.

University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Annual Real Estate and Lease Report

INITIATED BY: James O. Donnelly, Chair

BOARD INFORMATION: X

BOARD ACTION:

BOARD POLICY: 801 – Acquisition of Real Property & 802 – Disposition of Real Property

UNIFIED ACCREDITATION CONNECTION:

N/A

BACKGROUND:

Gretchen Catlin, Risk Manager, will present an overview of the UMS Annual Real Estate and Lease Report for FY 2021. Board of Trustees Policies 801 – *Acquisition of Real Property* and 802 – *Disposition of Real Property* require an annual report summarizing real estate transactions for the Board of Trustees. These policies require Board approval for:

- Acquisitions of real property with a cost of \$50,000 or more.
- Any lease of real property with a total payment term that exceeds \$100,000 and/or a term greater than 5 years.
- Leases/licenses for use of University real property if the total payment is greater than \$100,000 and/or the term is greater than 5 years.
- Note: Exceptions may be granted for leases/licenses of University property for minor uses to unrelated parties, e.g., easements and rights-of-way granted to public entities or environmental monitoring equipment.

This summary and attachment comprise the report for FY2021. This report does not reflect Board actions not yet implemented and does not contain works in progress.

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UMS Annual Real Estate and Lease Report – FY2021

Executive Summary

Board Policies 801 – *Acquisition of Real Property* and 802 – *Disposition of Real Property* require an annual report summarizing real estate transactions for the Board of Trustees. These policies require board approval for:

- Acquisitions of real property with a cost of \$50,000 or more;
- Any lease of real property with a total payment term that exceeds \$100,000 and/or a term greater than 5 years;
- Leases/licenses for use of University real property if the total payment is greater than \$100,000 and/or the term is greater than 5 years.
- Note: Exceptions may be granted for leases/licenses of University property for minor uses to unrelated parties, e.g., easements and rights-of-way granted to public entities or environmental monitoring equipment.

This summary and attachment comprise the report for FY2021.

Real Estate Transactions

Acquisitions:

During FY2021, the University of Maine System did not acquire real estate.

Dispositions:

During FY2021, the University of Maine System did not sell any real estate.

Lease transactions:

The cost associated with real property leases decreased slightly during the period while the revenue associated with real property leases also declined. This report does not reflect Board actions not yet implemented and does not contain works in progress.

As a lessee, the University is engaged in agreements for uses such as dormitory space, forestland, academic and research locations, recreational fields, parking facilities, and utility purposes. The cost of leasing property in FY2021 was \$1.8 million, a decrease of approximately \$30,000 from FY2020. This decrease was primarily due to expired leases that were not renewed.

While the cost associated with leasing property decreased in FY2021, the University's footprint increased by 21,400 square feet. This increase is attributed to new leases entered into for UMaine and UMA.

As a lessor, the University engaged in agreements covering uses such as research, early education and childcare centers, office spaces, financial institutions, cooperative extension, and cell tower locations. Revenue in FY2021 totaled \$568,540, which was a decrease of \$128,472. This decrease was primarily due to expired leases that were not renewed.

09/03/2021

As the revenue associated with leasing of University property declined in FY2021, the acreage leased increased slightly by 1.71 acres. The square footage decreased by 984 square feet. The pandemic had a minimal impact on leased University property, resulting in five leases either being put on hold or terminated due to COVID.

Closing:

Overall, the University of Maine System continues to look for ways to decrease its footprint while improving use of its existing spaces. The University of Maine System continues to explore opportunities to increase revenue through leases to third parties for under-utilized spaces at market rates.

EXECUTIVE SUMMARY
FY2021 REAL ESTATE AND LEASE ACTIVITY REPORT

REAL ESTATE ACQUIRED

	Acquired	Acreage	Sq. Ft	Value
-	-	-	-	-
TOTALS				

REAL ESTATE DISPOSITION

	Disposition	Acreage	Sq. Ft	Value
-	-	-	-	-
TOTALS				

Leased from Others (UMS is Lessee)

	Leases		Acreage		Square Feet		Annual Cost	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
UMA	10	11	0	0	85,037	92,015	\$1,251,640	\$1,147,523
UMF	2	2	.46	.46	0	0	\$1.00	\$1.00
UMFK	1	1	2.3	2.3	0	0	-	-
UMM	0	0	0	0	0	0	-	-
UM	16	19	1234	1299	135,440	145,959	\$432,399	\$519,710
USM	4	4	0	0	17,577	17,577	\$171,510	\$158,290
UMPI	0	0	0	0	0	0	-	-
UMS	1	1	0	0	657	657	\$12,000	\$12,000
Totals	34	40	1236.8	1301.8	238,711	260,111	\$1,867,550	\$1,837,524

Leased to Others (UMS is Lessor)

	Leases		Acreage		Square Feet		Annual Revenue	
	Previous	Current	Previous	Current	Previous	Current	Previous	Current
UMA	2	2	0	0	6,409	6,124	\$15,345	\$1,980
UMF	2	1	0.1	0	6,009	6,009	\$19,800	\$19,800
UMFK	7	7	.06	.02	794	8,425	\$22,896	12,544
UMM	2	3	0	0	2,610	2,741	\$24,841	26,508
UM	34	32	27.50	29.86	15,584	10,933	\$261,965	\$259,753
USM	21	13	0.74	0.23	26,127	22,462	\$331,159	\$247,355
UMPI	5	3	84.53	84.53	9,580	9,435	\$21,006	\$600
UMS	0	0	0	0	0	0	-	-
Totals	73	61	112.93	114.64	67,113	66,129	\$697,012	\$568,540

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09/03/2021

University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: S&P Global Ratings Review – University of Maine System

INITIATED BY: James O. Donnelly, Chair

BOARD INFORMATION: X

BOARD ACTION:

BOARD POLICY:

712 – Debt Policy

UNIFIED ACCREDITATION CONNECTION:

Academic and fiscal success are drivers for Standard & Poor's (S&P) ratings outcomes which in turn impacts the University of Maine System's (UMS') ability to issue debt at favorable interest rates.

BACKGROUND:

Vice Chancellor Ryan Low will provide a brief overview of the recently issued S&P Global Ratings report, which is included in your meeting materials. S&P affirmed its AA- rating with a stable outlook for the UMS' revenue bonds, reflecting "the strength of UMS' available resources for the rating category relative to medians and peer institutions."

The S&P review team noted UMS' stable outlook ranks better than the negative outlook for the not-for-profit higher education sector which faces short-term challenges of COVID-19 that make enrollment, revenue, operating margins and recovery prospects uncertain.

In its overview, S&P assessed UMS' enterprise profile as strong, characterized by our breadth and depth of institutions and assessed our financial profile as very strong, recognizing our healthy financial management policies, a history of slight deficit to break-even operations, and robust available resources while noting significant future debt plans as a limiting factor. Further, UMS' enrollment has remained stable over the past five years despite unfavorable state demographics and strong regional competition. Offsetting the stable enrollment is persistent weakness across demand metrics, with retention, matriculation, and graduation rates falling short of many similarly rated peers.

The report provided the following scenarios regarding the stable outlook for UMS:

Downside scenario

We could consider a negative rating action if enrollment declines markedly, resulting in larger full-accrual operating deficits such that available resources are also adversely affected and are no longer consistent with median ratios for the rating category. Additionally, any deterioration in available resources ratios from debt issuance could trigger a lower rating.

Upside scenario

A positive rating action is unlikely over the outlook period, given the System's near-term plans for significant additional debt and the unfavorable high-school-age demographics and brisk competition among New England-based schools for students. A higher rating

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is possible if UMS' enrollment grows and is sustained, financial performance strengthens, and available resources grow such that they are commensurate with a higher rating following issuance of the planned additional debt.

The UMS debt outstanding was approximately \$120 million as of March 1, 2021 and, with the subsequent Bond Anticipation Note issuance of \$43 million, remains well below our statutory debt ceiling of \$350 million.



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Credit Profile

University of Maine Sys PCU_USF		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
University of Maine Sys PCU_USF		
<i>Long Term Rating</i>	AA-/Stable	Affirmed
University of Maine Sys PCU_USF (AGM)		
<i>Unenhanced Rating</i>	AA-(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Rating Action

S&P Global Ratings affirmed its 'AA-' long-term rating and underlying rating (SPUR) on University of Maine System's (UMS or the system) various series of revenue bonds outstanding. The outlook is stable.

A broad pledge of the system's available revenue, which includes tuition, fees, and charges for its educational services as well as its auxiliary enterprises, together with other available monies, secures the bonds. As of UMS's latest audited fiscal 2020 year-end, debt outstanding totaled \$130.9 million, including, but not limited to, \$122.9 million in long-term fixed-rate debt and \$5.7 million in capital leases. The system does not have any material operating leases. Total pro forma debt of \$173.9 million includes a \$43 million bond anticipation note (BAN), issued in May 2021, which will provide bridge financing for several strategic projects across the system's campuses. The note, maturing in July 2022, will likely be repaid in fiscal 2022 as part of a larger planned additional debt offering issuance by the system that will further fund the aforementioned projects. The system has indicated that additional debt issuances to support these and other initiatives are likely in fiscal years 2023, 2024, and 2026.

As a result of COVID-19, to protect the health and safety of its students, faculty, and staff, the system transitioned to remote learning effective March 2020, and issued prorated refunds for room and board totaling approximately \$13 million, pressuring auxiliary revenues, which historically account for around 10% of total operating revenues. To offset some of this lost revenue, UMS has received institutional support through the Coronavirus Aid, Recovery, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Rescue Plan Act (ARPA) totaling approximately \$101.6 million. In addition to the Higher Education Emergency Relief Fund (HEERF) funding listed above, we understand the university has received around \$14.9 million in support from the State of Maine which has been used for testing, personal protective equipment (PPE), and information technology. In fiscal 2020, UMS recognized a combined \$15.5 million from CARES, approximately \$8 million of which was expended for student aid. The remainder was used for qualifying expenses. Management is working through guidance on determining the recognition of the second and third rounds of federal funding for institutional use, while it expended the first round of federal funding during fiscal years 2020 and 2021. The majority of student relief funds from the third round are expected to be recognized in fiscal 2022.

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With lower tuition revenue from student enrollment that was below expectations and declines in auxiliary revenue, both due to the pandemic, management indicates that depressed preliminary operating performance in fiscal 2021 resulted in an estimated 2% deficit. However, the recognition of a significant amount of federal stimulus funds may improve this result. We believe fiscal 2022 may finish closer to break-even due to the expectation for enrollment growth, the implementation of certain expense reduction measures, and an anticipated 3% increase in state appropriations. We do expect, however, that auxiliary revenues will remain below pre-pandemic levels as the system works to safely reopen its residence halls.

Credit overview

We assessed UMS' enterprise profile as strong, characterized by its breadth and depth, including the state's land, sea, and space grant and flagship higher educational institution, University of Maine (located in Orono), together with six other universities and other educational sites located in various parts of the state. UMS' enrollment--with total fall 2020 full-time equivalent (FTE) enrollment of 21,683--has remained stable over the past five years despite unfavorable state demographics and strong regional competition. Offsetting the system's stable enrollment is persistent weakness across demand metrics, with retention, matriculation, and graduation rates falling short of many similarly rated peers. We assessed UMS' financial profile as very strong, recognizing its healthy financial management policies, a history of slight deficit to break-even operations, and robust available resources while noting significant future debt plans as a limiting factor. An additional strength is UMS' short debt amortization of 16 years, compared with the more typical 30-year amortization period used by many colleges and universities. We believe these combined credit factors lead to an indicative standalone credit profile of 'a+'. As our criteria indicate, the final rating can be within one notch of the indicative credit level. In our opinion, the 'AA-' rating on the system's bonds better reflects the strength of UMS' available resources for the rating category relative to medians and peer institutions.

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The ratings and outlook also reflect our view of the system's:

- Healthy available resources for the rating, with fiscal 2020 adjusted unrestricted net assets (UNA) to pro forma debt of 123.7%, although adjusted UNA are less favorable on an adjusted operating expense basis, at 25.4%;
- Increasing state operating support and limited capital support from state authorized and issued borrowing that doesn't require reimbursement;
- Acceptance of a transformational \$240 million pledge from the Harold Alfond Foundation which will be utilized over the coming years to drive student success and innovation across the system; and
- Satisfactory governance and management that maintains a disciplined debt policy, imparts fiscal discipline through using dashboard indicators and long-term financial planning, and adapts to the challenging demographics of Maine through newly developed initiatives.

These credit strengths are diminished by our view of the system's:

- Weak demand metrics over recent years, with the system recording retention of 71% and freshman matriculation of 17.9% in fall 2020 which are driven, in part, by unfavorable demographic statistics for college-bound high school graduating seniors that will continue to make growing enrollment difficult;
- Underused physical capacity across over 550 buildings, aggregating in excess of 9 million square feet of space that system management acknowledges is cost-inefficient, with an ongoing plan that is slowly making progress in

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renovating and razing outdated buildings; and

- Ongoing budgetary deficits before adjustments for reserve utilization and incorporation of anticipated cost savings (items that we consider nonrecurring) to close deficits.

UMS' seven universities, some with multiple campuses, include the flagship University of Maine in Orono, about 10 miles north of Bangor and about 137 miles northeast of Portland. The University of Maine System was created by the Maine Legislature in 1968 through the merger of the University of Maine--which consisted of a main campus in Orono, a law school in Portland, and branch campuses in Augusta and Portland--with Maine's five state colleges.

Maine's economy is relatively diverse, although long-term economic growth prospects are challenged by the state's demographic profile and by wealth and income levels that are below those of the nation. In our view, the continuing pandemic, declining demographic for Maine high school seniors and limited job opportunities for college graduates, along with significant competition from New England peer institutions, will continue to depress financial operations during the next two years. We understand, however, an initiative begun several years ago to attract out-of-state students by offering tuition comparable with the student's home state tuition rate is showing signs of success and helped UMS maintain a relatively stable freshman class size in fall 2020.

The stable outlook reflects our view that UMS' enrollment will remain firm and that available resources, bolstered by strong investment performance in fiscal 2021, will remain a credit strength of the system. We anticipate the system will successfully deliver the numerous strategic projects planned for the upcoming years. We believe management and governance will continue to provide sound leadership as the system recovers from the economic impact of COVID-19. We expect operations to see pressure in fiscal 2021 but return to near break-even by fiscal 2022. Furthermore, the outlook assumes state appropriations will not decline materially.

Environmental, social, and governance factors

Due to the pandemic, UMS implemented remote learning in spring 2020 to protect its students' health and safety and to limit social risks associated with community spread of COVID-19. Since then, the system has implemented a hybrid model with both in-person and remote learning for fall 2020 and spring 2021 semesters. UMS plans to return to primarily in-person education for fall 2021 with continued guidance on social distancing, PPE, and testing. In our view, UMS, similar to other higher education institutions, faces elevated social risk due to the high, albeit moderating, uncertainty regarding the evolution of COVID-19 and its economic effects. We view the risks posed by COVID-19 to public health and safety as a social risk under our environmental, social, and governance (ESG) factors. We believe the system is affected by demographic pressure due to a declining number of graduating high school seniors in the state and the region, which we believe could pressure enrollment. We view this as a social risk. UMS mitigates its cyber risk by maintaining cyber insurance coverage, using a risk matrix to evaluate and control cyber threats, and providing training to staff and faculty. Despite the elevated social risk, we believe UMS' environment and governance risk are in line with our view of the sector as a whole.

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Downside scenario

We could consider a negative rating action if enrollment declines markedly, resulting in larger full-accrual operating deficits such that available resources are also adversely affected and are no longer consistent with median ratios for the rating category. Additionally, any deterioration in available resources ratios from debt issuance could trigger a lower rating.

Upside scenario

A positive rating action is unlikely over the outlook period, given the system's near-term plans for significant additional debt and the unfavorable high-school-age demographics and brisk competition among New England-based schools for students. A higher rating is possible if UMS' enrollment grows and is sustained, financial performance strengthens, and available resources grow such that they are commensurate with a higher rating following issuance of the planned additional debt.

Credit Opinion**Enterprise Profile****Market position and demand**

The State of Maine's slow long-term growth trend and unfavorable high-school-age demographic make recruiting and retaining students difficult for UMS; nevertheless, enrollment has generally been stable over the past five years, due in part to an increased focus on out-of-state and adult learners. After reaching a peak of over 24,000 in the early 2000s, total FTE enrollment fell to 21,924 in fall 2020 following enrollment declines in three of the last five years. That being said, enrollment in fall 2020 was only 1.1% lower than fall 2016's enrollment. Senior leadership is optimistic that enrollment in fall 2021 will be stronger than in fall 2020. Management indicates that retention, which was a relatively weak 71% in fall 2020, and student success are currently its top priorities, while numerous opportunities have been identified across the adult learning, graduate, and out-of-state populations. Over the past few years, the University of Maine has offered qualifying out-of-state students the Flagship Scholars Program, which, among other things, may allow students to attend the university for the same cost as their home state's flagship public institution. The university also allows Canadian citizens to attend at the Maine in-state tuition rate. These initiatives have, in part, led the proportion of out-of-state students across the system to rise from 17% in fall 2016 to 23% in fall 2020.

While enrollment across the system has remained flat, freshman applications have increased in four of the past five years and increased 2.1%, to 27,164, in fall 2020 from the previous year. The acceptance rate for the past five fall enrollment periods averaged 80%, though we note that fall 2020 selectivity rose from 77.8% in fall 2019 to 84.2%. This increase can, in part, be attributed to management's goal of maintaining stable enrollment while understanding that some students would elect not to attend because of the ongoing pandemic. Similar to other institutions, the system saw matriculation soften in fall 2020, though matriculation has remained relatively weak over the past five years. In fall 2020, freshman matriculation fell to 17.9%, from 20.8% in fall 2019 and 22.9% in fall 2018. Overall, we believe enrollment for most colleges and universities in the northeast will remain pressured for the near term due to increasing competition for a dwindling supply of high school graduating seniors.

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Tuition and mandatory fees are among the lowest for in-state and out-of-state students, compared with those of other New England schools. Furthermore, UMS reports that the system has the lowest room and board fees of its New England peers. The tuition is \$8,071 for in-state students and \$18,531 for out-of-state students; both are lower than UMS' regional peers. The overall average tuition increase for fall 2020 was 2.8% for both undergraduate in-state and undergraduate out-of-state students.

Management and governance

UMS is led by its chancellor, Mr. Dannel P. Malloy, who assumed the position in July 2019. Mr. Malloy, who previously served as governor of Connecticut, accepted a request by the board to extend his contract for another three years after his current contract ends in June 2022. After four years as president of the University of Maine at Augusta (UMA), Rebecca Wyke announced that she will leave the campus to lead the Maine Public Employee Retirement System. UMS indicates that discussions have begun with the UMA community and that, after identifying an interim president, the system will begin a national search for a new president. In March 2020, Chancellor Malloy announced that Dr. Deborah Hedeem was selected to lead the University of Maine at Fort Kent (UMFK) as president and provost starting July 2020. Dr. Hedeem previously served as vice chancellor for academic and student affairs at University of Montana Western and as dean at the college of education at Idaho State University. While there has been some minor turnover at the presidential level across the system's campuses, we believe management across the system as a whole remains stable and strong.

The system continues to implement the strategic plan it adopted in January 2012, which was last updated in 2014 and is currently being refined. The plan's four major focus areas are:

- Increasing enrollment;
- Promoting student success;
- Achieving fiscal sustainability; and
- Realizing improved economic development within the state by expanding research.

The system's "One University for all of Maine" initiative, launched by former Chancellor James Page, has evolved now with the system board's January 2020 approval to pursue a unified accreditation for the system, covering all of its universities, from its regional accreditor, the New England Commission of Higher Education. Unified accreditation will permit greater academic collaboration between system universities, so that two or more universities can coordinate to offer academic programming that any one university does not have sufficient resources to offer on its own. The system expects to realize significant academic and financial efficiencies while preserving the academic programs necessary to meet its statewide mission.

In our view, the system has a high level of deferred capital maintenance, owing to the age of its infrastructure and its practice of not fully funding depreciation costs, although it has a goal of reaching 100% by fiscal 2024. We understand that just over half of the system's buildings are approximately 50 years old. The state legislature sent a \$49 million bond referendum to voters in November 2018 that was approved for modernizing and improving facilities and infrastructure of the university. In March 2020, the system obtained board authorization to proceed with three projects on the Portland campus of the University of Southern Maine. These projects include a student residence hall, a parking

facility, and a career and student success center.

We understand labor relations have generally been stable, with six collective bargaining units representing various classes of workers.

Financial Profile

Financial performance

UMS has, over the past three years, recorded full-accrual adjusted operating deficits, though we do note that, on a cash basis, the system consistently records operating surpluses. In fiscal 2020, the adjusted operating deficit of \$5.3 million, or 0.6%, was driven in large part by room and board refunds of approximately \$13 million, which pushed auxiliary revenues down 19.2% from \$82.8 million in fiscal 2019, to \$66.9 million in fiscal 2020. The system also saw a decline in net tuition revenue as growth in scholarship allowances of \$123.7 million in fiscal 2020 outpaced gross tuition revenue, which totaled \$319.4 million. To offset these and other revenue declines, the system received approximately \$17.9 million as part of the CARES Act, \$15.5 of which was recognized in fiscal 2020. UMS also took steps to reduce discretionary expenses, leading to a 2.2% decline in audited operating expenses, but was not forced to lay off any faculty or staff across the system. For fiscal 2021, management is expecting to record softer operations due to a decline in net tuition revenue, driven by a dip in fall 2020 enrollment and coupled with further deterioration of auxiliary revenue brought on by low housing occupancy and a limited number of students on campus during the academic year. Management is optimistic that stronger enrollment will bring about an improvement in fiscal 2022 operations, though we note that housing occupancy across the system is not yet expected to return to pre-pandemic levels.

UMS' revenue stream remains diverse, with fiscal 2020 operating revenues split approximately three ways: 37.9% of revenues from student-related fees and tuition, 26.1% from state appropriations, and 17.1% from grants and contracts. The remaining 18.9% represents auxiliary operations and other miscellaneous revenue sources.

In our view, the state's support for higher education funding in comparison with other states is fairly good, with modest year-over-year increases in appropriation realized in most recent years. Revenue from state appropriation realized in fiscal 2019 totaled \$219.9 million, up 3.7% from the previous year's \$211.9 million. In response to the economic effects of COVID-19, the state withheld approximately \$2.2 million from the system's fiscal 2021 appropriation, leaving UMS with a total appropriation of approximately \$222.7 million. Following this one-year reduction, the system began preparing for a 10% reduction to the 2022-2023 biennial budget but, due to active budget management and health reserves at the state level, UMS is now expecting fiscal 2022 to see an increase of approximately 3% for the 2022-2023 biennium. Further, management indicated that the state has approved an increase in deferred maintenance spending, which will help address the system's aging infrastructure.

Available resources

The university's available resources are healthy, in our opinion, compared with the 'AA' category medians. In fiscal 2020, available resources as measured by adjusted UNA, which includes approximately \$13 million in foundation UNA and adjusts for pension and other postemployment benefit (OPEB) liabilities, grew 2.8% to \$215.2 million, equal to 25.4% of fiscal 2020 adjusted operating expenses and 123.7% of total pro forma debt. Cash and investments, which we view as a less conservative metric, have also grown over recent years, rising to \$434.2 million in fiscal 2020, equivalent

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to 51.3% of operations and 149.7% of total pro forma debt.

In October 2020, UMS announced that the Harold Alfond Foundation had made a \$240 million commitment to the system to help drive innovation and bring about transformative change. The pledge, which will be paid out over the next 12 years, has already been leveraged to begin raising what management hopes will total \$170 million in matching funds over the next 10 years from private, state, and federal sources. Management indicates that the investment will be focused on four main areas: approximately \$55 million for the Maine Graduate and Professional center; \$75 million for the Maine College of Engineering, Computing, and Information Science, which includes the Ferland Engineering Education and Design Center; \$20 million for student success and retention; and \$90 million for athletics facilities at the University of Maine. The implementation of these initiatives, termed UMS Transforms, will take place over the next several years and will bring in campus and community stakeholders from across the state of Maine.

In June 2020, the system's largest campus, the University of Maine, completed its Vision for Tomorrow campaign, which began in July 2011 with a goal of raising \$200 million. At closing, the campaign had raised \$208.6 million from 35,599 individual donors across 50 states and 32 countries. Management indicates that the proceeds have been used, in large part, for student and faculty support, creating over 500 new scholarship and endowed funds. In July 2020, the foundation for University of Southern Maine (USM), located in Portland, kicked off a \$46 million campaign which will help fund student scholarships, the creation of a new center for the arts, and the construction of the new USM career and student success center. Through February 2021, the foundation had raised around \$17.6 million.

As of fiscal 2020 year-end, UMS reports its endowments' market value, combined with the endowment market values of other separately incorporated UMS affiliated fundraising organizations, was \$427.6 million, up 0.8% from the \$424.2 million at fiscal 2019 year-end. Preliminary fiscal 2021 results suggest that market returns over the past year have been very strong. Management reports that the liquidity of the managed investment pool is quite strong, with 75.6% considered liquid on a daily and an additional 23.9% on a monthly basis. The remaining amount is either illiquid or subject to liquidation on an annual basis.

Debt and contingent liabilities

UMS' debt outstanding at fiscal 2020 year-end totaled \$130.9 million and included \$5.7 million of capital leases and \$702,000 of notes. Total pro forma debt for fiscal 2021 of \$173.9 million includes a \$43 million BAN, issued in May 2021, which will provide bridge financing for several strategic projects across the system's campuses. In 2020, the system's board of trustees approved three projects at the University of Southern Maine in Portland, including a 580-bed student residential facility, an approximately 425-space parking structure, and a career and student success center. Management indicated that UMS plans to issue approximately \$74 million of bonds in fiscal 2022 for the purpose of reimbursing the BANs--maturing in July 2022--and providing additional funds for the construction of the aforementioned projects in addition to the University of Maine Ferland Engineering Education and Design Center and, potentially, the University of Maine Energy Center. As well as the planned issuance in fiscal 2022, the aforementioned projects will be supported by a combination of donor funds, state capital support, and additional bond issuances in fiscal years 2023, 2024, and 2026. All of the debt is fixed-rate, and the system has no interest-rate swaps. The current debt legislatively authorized for the system is \$350 million, up from \$220 million, as the system management and governance has recognized the need to reduce a critical deferred maintenance backlog that at one time was estimated as high as \$720 million.

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S&P Global Ratings' criteria indicate that debt structures with large bullet maturities may be smoothed and added to total debt service to determine maximum annual debt service (MADS). When smoothing the recently issued BAN over the remaining 16-year life of all debt outstanding, smoothed MADS is \$19.8 million, or 2.3% of fiscal 2020 adjusted operating expenses, which we view as low. When excluding the BAN (which will be repaid by July 2022), MADS is \$17.1 million, or 2% of adjusted operating expenses, which we also view as low and manageable.

UMS pension and OPEB expense relative to adjusted operating expense is 4.4%, which we view as manageable. Employees of the system largely use a defined-contribution plan that we view as fully funded by definition; however, the university did have a defined-benefit plan that it closed to new employees in 1998. The plan is a single-employer plan that currently has a net pension liability of about \$11.7 million and was 67.8% funded as of fiscal 2020 year-end. UMS has made some progress with its OPEB liability by instituting an OPEB trust fund (which had a market value of \$137.4 million as of fiscal 2020 year-end) to offset a \$213.4 million liability, resulting in 64.4% funding level. The trust and funding arrangement has enabled the UMS to minimize the full unfunded actuarial accrued liability which was required to be brought on to the balance sheet with the implementation of Government Accounting Standards Board (GASB) 75 when adopted in fiscal 2018. As a result, pressure is put cash flows to meet the annual required contributions, which range from \$12 million to \$20 million per year since the implementation of the prior standard, GASB 45 in 2007.

University of Maine System--Enterprise And Financial Statistics

	--Fiscal year ended June 30--					Medians for 'AA' rated public colleges & universities
	2021	2020	2019	2018	2017	2020
Enrollment and demand						
Headcount	29,683	29,974	29,735	28,997	29,465	MNR
Full-time equivalent	21,618	21,924	22,033	21,812	21,867	38,513
Freshman acceptance rate (%)	84.2	77.8	81.6	79.8	78.3	68.9
Freshman matriculation rate (%)	17.9	20.8	22.9	21.6	22.3	MNR
Undergraduates as a % of total enrollment (%)	84.8	86.2	86.2	86.5	87.2	78.7
Freshman retention (%)	71.0	73.0	73.0	71.0	72.0	86.7
Graduation rates (six years) (%)	50.0	50.0	50.0	46.0	50.0	MNR
Income statement						
Adjusted operating revenue (\$000s)	N.A.	841,892	827,969	803,510	781,895	MNR
Adjusted operating expense (\$000s)	N.A.	847,225	844,046	805,770	770,775	MNR
Net adjusted operating income (\$000s)	N.A.	(5,333)	(16,077)	(2,260)	11,120	MNR
Net adjusted operating margin (%)	N.A.	(0.63)	(1.90)	(0.28)	1.44	0.80
Estimated operating gain/loss before depreciation (\$000s)	N.A.	49,199	36,917	49,450	65,180	MNR
Change in unrestricted net assets (UNA; \$000s)	N.A.	8,964	5,219	6,916	(74,950)	MNR
State operating appropriations (\$000s)	N.A.	219,864	211,975	210,979	212,036	MNR
State appropriations to revenue (%)	N.A.	26.1	25.6	26.3	27.1	19.3
Student dependence (%)	N.A.	45.9	47.8	47.4	46.2	40.0

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	--Fiscal year ended June 30--					Medians for 'AA' rated public colleges & universities
	2021	2020	2019	2018	2017	2020
Research dependence (%)	N.A.	17.1	16.8	17.1	17.6	MNR
Endowment and investment income dependence (%)	N.A.	0.8	1.0	0.8	0.7	1.3
Debt						
Outstanding debt (\$000s)	N.A.	130,934	141,541	150,826	162,407	1,021,735
Proposed debt (\$000s)	N.A.	43,000	N.A.	N.A.	N.A.	MNR
Total pro forma debt (\$000s)	N.A.	173,934	N.A.	N.A.	N.A.	MNR
Current MADS burden (%)	N.A.	2.00	2.15	2.25	2.04	3.30
Pro forma MADS burden (%)	N.A.	1.39	N.A.	N.A.	N.A.	MNR
Financial resource ratios						
Endowment market value (\$000s)	N.A.	160,580	162,580	154,114	146,807	999,171
Related foundation market value (\$000s)	N.A.	293,400	286,300	276,800	252,400	681,584
Cash and investments (\$000s)	N.A.	434,245	425,474	407,878	391,541	MNR
UNA (\$000s)	N.A.	102,751	93,787	88,568	81,652	MNR
Adjusted UNA (\$000s)	N.A.	215,230	209,291	206,923	187,986	MNR
Cash and investments to operations (%)	N.A.	51.3	50.4	50.6	50.8	53.0
Cash and investments to debt (%)	N.A.	331.7	300.6	270.4	241.1	167.7
Cash and investments to pro forma debt (%)	N.A.	249.7	N.A.	N.A.	N.A.	MNR
Adjusted UNA to operations (%)	N.A.	25.4	24.8	25.7	24.4	36.2
Adjusted UNA plus debt service reserve to debt (%)	N.A.	164.4	147.9	137.2	115.7	104.9
Adjusted UNA plus debt service reserve to pro forma debt (%)	N.A.	123.7	N.A.	N.A.	N.A.	MNR
Average age of plant (years)	N.A.	14.5	13.8	13.3	13.0	13.6
OPEB liability to total liabilities (%)	N.A.	18.2	14.9	18.6	17.6	MNR

Related Research

- Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

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