Trustee Katz, Chair, called the meeting to order and welcomed everyone. The Clerk performed a roll call of the Committee members present.

**Executive Session**

On a motion by Trustee Michaud, which was seconded by Trustee Flood, and approved by a roll call vote of all Trustees present, the Finance, Facilities, & Technology Committee went into Executive Session under the following provisions:

- 1 MRSA Section 405 6-C to discuss the condition, acquisition or disposition of real property or economic development if premature disclosure of the information would prejudice the competitive or bargaining position of the UMS.

On a motion by Trustee Riley, which was seconded by Trustee Michaud, and approved by a roll call vote of all Trustees present, the Committee concluded the Executive Session.

Following the Executive Session, the Committee Chair reconvened the public meeting to discuss the following items.

**FY2023 Proposed Operating Budget Revisions**

The University of Maine and the University of Maine at Farmington presented their FY2023 Proposed Operating Budget revisions.

University of Maine

Vice Chancellor for Research and Innovation and President at the University of Maine (UM) Joan Ferrini-Mundy and UM Chief Business Officer Kelly Sparks presented the FY2023 revised budget for UM and the University of Maine at Machias (UMM). The FY2023 budget shortfall and a revised request for use of university reserves was also discussed. UM has never been better positioned for strategic growth that will benefit Maine and its people; however, the fiscal challenges are daunting and will require bold solutions. The original budget that was approved by the Board in May 2022 estimated a gap or financial need of $22 million, net of $4.5 million increase in state appropriation. UM proposed budget efficiencies and the use of $11.7 million in university reserves to solve the E&G
budget shortfall. The revised budgets from UM and UMM reflect a decline in undergraduate enrollment compared to budget primarily for incoming first-year students and retaining students from the prior year. Graduate fall enrollment at UM was 2% below budgeted headcount. UM is focusing on key enrollment initiatives for Fall 2023 which include deepened use of digital recruitment by academic areas for accepted students, focus on faster acceptance time, communicate financial aid awards earlier and align admissions counselors to key territories. The estimated incremental E&G financial need for FY2023 is $15 million and the incremental auxiliary financial need for FY2023 is $2.1 million. Of the $15 million in incremental E&G financial need, UM has offset this with $11.6 million in mid-year savings. Some of these savings will be on-going and some will be one-time savings. Of the $2.1 million in incremental auxiliary financial need, UM has offset that with $0.6 million in position vacancies.

University of Maine at Farmington
University of Maine at Farmington (UMF) President Joseph McDonnell presented the FY2023 updated budget. UMF’s undergraduate out-of-state and NEBHE credit hours for Spring 2023 were below the budget level projections. The in-state undergraduate and graduate credit hours exceeded projections, however, the out-of-state and NEBHE credit hours are at a higher price than in-state resulting in an $800 thousand deficit. UMF has used budget reductions to fill this budget gap. The Spring 2023 budget has been revised in the hopes of achieving a balanced budget. UMF has a $1.265 million budget gap in auxiliary services which results in waivers being reduced by $95 thousand and reduction in expenses of $515 thousand which left a budget gap of $655 thousand. UMF will continue to work on closing the gap by increasing revenue where possible, reducing expenses, capturing savings from vacant positions, capturing savings from Lockwood Hall being offline in the Fall 2022 semester, increasing the number of commuter/staff meal plans, and improving the options for meal equivalency to drive satisfaction. UMF has also entered into a Memo of Understanding (MOU) with Franklin Memorial Hospital for the spring semester to house 6 to 8 employees in Lockwood Hall, the only residence hall with a full kitchen. Several retention efforts are also underway.

Vice Chancellor of Finance and Administration and Treasurer Ryan Low provided additional details of the UM and UMF budgets. UM has an E&G operating decrease of $3.85 million and on the auxiliary side there is a $1.4 million operating decrease. This results in a $5.7 million transfer from campus reserves to balance the budget. At UMF the loss of revenue in the residence halls resulted in a decrease of $1.2 million, which was partially offset by reduced Sodexo expenses leaving a remaining budget gap of $655 thousand.

President McDonnell in response to a Committee members question about what strategies are being used to increase UMF enrollment, explained that post covid they are being more aggressive with enrollment of high school students including faculty engagement, their honors program is being redesigned, UMF is launching an adult on-line program, and several graduate certificate programs have been very successful. Retention is another area of focus. A Committee member suggested a System-wide attempt to increase enrollment could be beneficial, particularly for the smaller campuses. Chancellor Malloy explained that the System has recently initiated a new System-wide marketing campaign, including recruitment, retention and early acceptance. This is the first time the System has made a large investment for this type of marketing. This marketing campaign supplements the campuses’ marketing efforts.

President McDonnell explained UMF will transition from a 4 credit course system to a 3 credit system next year and it is unknown what impact this will have on recruitment. They are hopeful that UMF
will realize a benefit, particularly with transfers from other UMS campuses and the Community College. UMF is currently working on articulation agreements with the Community College.

On a motion by Trustee Michaud, which was seconded by Trustee Flood, and approved by a roll call vote of all Trustees present, the Finance, Facilities, and Technology Committee agreed to forward this item to the January 29-30, 2023 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee, and approves the FY2023 UMaine and UMF proposed operating budget revisions.

**Governor's Budget**

Chancellor Malloy shared that in the Governor’s Budget there is an adjustment in the second year of the biennium budget of a 3% increase, but not built in our base budget. The Governor has recommended that this increase be included in our base budget and encourages the legislature to support an additional increase of 4.5% per year on a compounded bases. UMS is very appreciative of the Governor’s support and generosity. The Governor has also recommended additional funding for the Maine Economic Improvement Fund (MEIF). Maine is behind in State funding for research compared to other institutions. Pell grant funding has also been increased which will bring relief to students seeking higher education. This additional funding for UMS will not be finalized until it is approved by the legislature. Vice Chancellor Low added that this increase in State funding for UMS would be the largest in our recent history.

Chancellor Malloy thanked Chair Riley, Vice Chancellor Ferrini-Mundy and Vice Chancellor Low for joining him for the presentation to the Governor. Chair Riley expressed her gratitude to the Governor for the time she spent with the UMS team for the presentation.

Trustee Katz reminded everyone that the assumptions for the FY2024 budgets include this additional funding. Chair Riley commented that this additional funding does not diminish our efforts to find efficiencies.

**Establishment of a New Endowed Professorship in Public Policy, USM**

USM President Jacqueline Edmondson provided a brief overview of the request to establish a new Endowed Professorship in Public Policy at USM. This endowed Professorship was established through the University of Southern Maine Foundation in October 2022 with a $1,000,000 gift. This gift from a prominent organization honors the legacy and distinguished career of a deceased servant leader who made a profound impact on the University of Southern Maine, the University of Maine System and numerous organizations and Maine civic life. He dedicated himself to working on behalf of Maine people, companies and government and our State and communities are the better for his work. Income from the endowment may be given as a stipend to the person holding the Professorship. In some situations, a portion of the income may be allocated by the University to provide equipment, technical and clerical assistance, travel, and other auxiliary support for the professorship. The Endowed Professor will be a senior faculty member with expertise in Public Policy from outside the University with a strong record in scholarship and demonstrated leadership skills. The holder of the Professorship shall be an individual who is willing to mentor junior faculty, participate in public presentations, be available for workshops and panel discussions and be open to helping the Muskie School of Public Service build its reputation. Teaching expectations for this professorship will be aligned with significant expectations for public service and outreach, and
research activity. The appointment shall be for a period of four years and is renewable upon review of performance. If approved by the Committee, and subsequently the full Board, the University of Southern Maine and the USM Foundation intend to publicly announce the name of the Endowed Professorship in Public Policy at a public event on January 31, 2023. As the naming is confidential at this time, the details of the naming was discussed with the Committee during Executive Session.

On a motion by Trustee Flood, which was seconded by Trustee Michaud, and approved by a roll call vote of all Trustees present, the Finance, Facilities, and Technology Committee agreed to forward this item to the January 29-30, 2023 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee and approves the authorization of the University of Maine System acting through the University of Southern Maine to establish a new Professorship in Public Policy, with the naming details to be announced publicly at a later date.

**Bridge Financing Request Portland Development Project, USM**

Vice Chancellor Low explained that the University of Maine System (UMS) is proposing the issuance of bridge financing from the System to the USM for up to $8 million, as determined by the Treasurer, to provide interim funding for ongoing construction costs for the Portland Residence Hall, Portland Structured Parking Garage, and the Career and Student Success Center. Any such internal loan will be reimbursed from the subsequent issuance of debt or other funding sources such as donations, as appropriate. The construction component of the project continues to move forward on budget and on time.

The UMS received Board of Trustees (Board) authorization at its February 19, 2020 meeting for the issuance of revenue bonds not to exceed $95 million for the purpose of financing these three USM projects on the Portland campus. At that time, the Board also authorized issuance of a System internal loan to USM for up to $4 million to finance predevelopment costs for the Residence Hall. No internal loan was issued for the predevelopment or other costs of these projects to date. UMS issued a Series 2022 Revenue Bonds in July 2022, of which $87.15 million was for the benefit of the USM Residence Hall and Parking Garage leaving $7.85 million in remaining Board approved revenue bond capacity toward these three projects. This request for interim financing supports the UMS’s financing plan which is to accommodate multiple projects throughout UMS which are in various stages of planning and construction, thereby deferring debt issuance which allows UMS to finance projects based on the collective cash flow needs and to achieve financing efficiency. The timing of the UMS’s next revenue bond issuance will take into consideration various factors including but not limited to market conditions, cash flow needs of the various capital projects, operating cash availability, and the timing of incoming funding sources.

On a motion by Trustee Michaud, which was seconded by Trustee Flood, and approved by a roll call vote of all Trustees present, the Finance, Facilities, and Technology Committee agreed to forward this item to the Consent Agenda for the January 29-30, 2023 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee, and authorizes the issuance of bridge financing from the System to the University of Southern Maine for up to $8 million, as determined by the Treasurer, for the purpose of funding construction expenses for the Portland Residence Hall, Portland
Structured Parking Garage, and the Career and Student Success Center to be reimbursed by the subsequent issuance of debt or other funding sources, as appropriate.

**Deering Farmhouse Renovation, USM**

USM President Edmondson, USM Chief Business Officer Alec Porteous and USM Associate Vice President of Operations Michael Hudson provided a brief overview of the USM request to expend up to $2,000,000 to renovate and relocate the historic Deering Farmhouse located on the Portland campus. The renovated space in the building will be used for the office of the Director of the Osher School of Music and associated administrative space. The building will also house the music library for the Osher School of Music as well as general related storage. Using the renovated Deering Farmhouse structure as office space will allow more studio space in the Center for the Arts (CFA).

The Deering Farmhouse is the last remaining structure from the Deering Estate in Portland and dates from 1807. It is the only historically significant structure on the Portland campus and is in an inactive and degraded status. This project reactivates and preserves this structure while providing complementary functional space to the adjacent CFA. USM has received praise and support from the City of Portland Historic Preservation office as well as the Greater Portland Landmarks for the foresight and incorporation of this project into the overall site development. Demolition of the structure is not feasible because the City of Portland does not support that option due to its historic nature. The overall budget of this project is $2,000,000 and will be funded by University E&G funds. A study for this project was funded in FY2022 for $65,000 and an additional $500,000 was budgeted in FY2023. The newly authorized funds will be budgeted in the FY2024 and FY2025 capital plan. This project would need to be approved before the campus moves forward with the CFA project which breaks ground in July 2023, due to the need to relocate the Deering Farmhouse structure from its current location.

A Committee member asked USM how much contingency has been built into the budget for this project that is unknown and unexpected until the project starts. Vice President Hudson stated that substantial contingency has been built into the $2 million budget for unknown and unexpected project costs. Because this was not included as part of the costs of the CFA, the Committee express interest in the campus pursuing external funding for the project. Mr. Porteous explained that the three-year funding cycle provides the opportunity for external funding because of the interest in the historic preservation of the building. The Committee also encouraged the campus to pursue federal funding options to help offset the costs of the renovation of the building. The Chancellor committed to holding USM accountable to pursue cost efficiencies and all possible opportunities for external funding sources for this project. Vice Chancellor Low recommended the Committee approve the resolution as presented and clarified that the $500,000 for phase one of this project is already included in the USM FY2023 budget and recommended the campus report back to the Board on the status of all funding sources for the additional phases.

On a motion by Trustee Flood, which was seconded by Trustee Riley, and approved by a roll call vote of all Trustees present, the Finance, Facilities, and Technology Committee agreed to forward this item to the January 29-30, 2023 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee and authorizes the University of Maine System, acting through the University of Southern Maine, to expend up to $2,000,000 to renovate and relocate the Deering Farmhouse located on the Portland campus.
President Edmondson announced that it is Alec Porteous’ last day at USM and expressed appreciation for his work at USM and with this committee. Buster Neel, who is the Chief Business Officer at UMA has agreed to assist USM as well for an interim period of time.

**Center for Teaching Innovation Renovation, USM**
USM President Edmondson and USM Dean of the College of Management and Human Services Joanne Williams provided a brief overview of the request to expend up to $700,000 to renovate 3,240 sq. ft for the Center for Teaching Innovation (CTI) located on the third floor of Bailey Hall on the Gorham campus. Teacher development and education requires continued education on new technology and resources available in the classroom. There is also an increased need for education in remote learning/teaching since the pandemic. The University of Southern Maine’s CTI is designed to address that need and to help provide educational and technological resources to strengthen and grow Maine’s teacher workforce. This project will enhance collaboration through the use of the teacher residency program which includes all of the UMS universities to enhance the teacher education pipeline.

The renovated space in Bailey will include the following;

**Educational Simulation Lab** - Designed to provide the space and technology for simulated classroom situations that allow students to practice using the technological tools used in today’s interactive, technology-integrated classrooms.

**Makerspace** - Designed as a collaborative space for students to create innovative materials and projects for their PreK-12 teaching.

**Curricular Library** - Designed to bolster the professional development of undergraduate, graduate, and practicing teachers, the Curricular Library provides a diverse range of instructional tools and support materials for use in curriculum planning, as well as the associated technology needed to access digital pedagogy.

Design is complete, with construction to start in May 2023 at the end of the semester and completion targeted for August 2023 before the start of Fall 2023 semester. The project budget is estimated at $700,000 and would be funded by $250,000 in 2018 State bonds, $200,000 in Philanthropy, and $250,000 in other University resources.

On a motion by Trustee Michaud, which was seconded by Trustee Flood, and approved by a roll call vote of all Trustees present, the Board of Trustees acting through the Finance, Facilities and Technology Committee authorized the University of Maine System, acting through the University of Southern Maine, to expend up to $700,000 to renovate 3,240 square feet of space for the Center for Teaching Innovation (CTI) located on the on the third floor of Bailey Hall on the Gorham campus.

**Medical Laboratory Technology Space Renovation Project Budget Increase, UMA**
UMA President Joseph Szakas and UMA Chief Business Officer Buster Neel provided a brief overview of the request to increase the authorization for the completion of the new Medical Laboratory Technology (MLT) space in Robinson Hall by $350,000, based on the latest cost estimates from the architects and engineers. The Board of Trustees approved $1,650,000 in March 2022; this additional request would bring the total approved expenditure to $2,000,000.
The overall project budget of $2,000,000 will be funded by a $1,650,000 internal loan and $350,000 from remaining Higher Education Emergency Relief Funds (HEERF). 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 & Technology Committee. In this case the Committee recommendation will be forwarded to the Board of Trustees Consent Agenda at the January 30-31, 2023, Board meeting. The demand for qualified medical laboratory technicians has never been greater. Graduates of the MLT academic program have numerous job opportunities awaiting them. UMA very much needs to expand its program by enrolling a greater number of students, and this expansion can occur only with adequate and appropriate facilities. It is anticipated that this expansion will allow the program to increase its enrollment by over 70% to 24 students initially and possibly more in the future. This program is shared with the University of Presque Isle (UMPI) where half of the curriculum is taught. The current lab for UMA is located in Maine General Hospital. This is a very small lab that results in approximately 8 graduates annually with a 100% placement rate. Maine General Hospital cannot expand the current space. Therefore, moving the lab to the UMA campus in Robinson Hall in coordination with UMPI will allow for expanded enrollment in an area of State need. This is an excellent example of the benefits of unified accreditation as a tool for collaboration. Roughly 4,000 square feet of space within Robinson Hall will be renovated and developed into a laboratory for the MLT program. The scope of the work may include extensive demolition; structure reinforcement; plumbing; fire protection; HVAC; electrical; framing; doors and door hardware; interior finishes; toilets, lavatories; sinks; eyewash stations; mechanical systems; and audio/visual components.

On a motion by Trustee Michaud, which was seconded by Trustee Flood, and approved by a roll call vote of all Trustees present, the Finance, Facilities, and Technology Committee agreed to forward this item to the Consent Agenda for the January 29-30, 2023 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendation of the Finance, Facilities & Technology Committee and authorizes the University of Maine System acting through the University of Maine at Augusta to expend an additional $350,000 bringing the approved project expenditure up to $2,000,000 to renovate Robinson Hall on the Augusta campus to develop a laboratory for the Medical Laboratory Technology academic program.

**Review of IT Projects with a Value of $250,000 or Greater**

UMS Chief Information Officer David Demers provided an update on Information Technology projects with a value of $250,000 or greater. These projects are: USM VoIP Projects and Repaving MaineStreet.

The VoIP Implementation Project for USM continues to progress. The overall budget for this project is $809 thousand. Project is essentially complete. Installation of HVAC in Corthell Hall and some other minor items remain.

The Repaving MaineStreet Project has a budget of $16.8 million. Phase 1 of the project is 7% complete and Phase 2 of the project is 5% as of January 2023. The timeline limitation of the Oracle Cloud environment has been identified that present logistical challenges making the planned two-phase implementation approach for the Oracle Cloud HCM suite (Phase 1 – Recruiting and Phase 2 – Full HR) infeasible. Recruitment will not be on the same timeline as the other HCM module with go-live planned for January 2024. The Recruiting and Core HR initial Application Review and Self-
Guided sessions are completed as well as the initial series of CS functional area discovery sessions. The sign-off on all HCM Configuration Guides have been received.

The Oracle Cloud HCM data conversions and planning for ERP data conversations, assessing of HCM and ERP integration requirements and technical analysis of current CS MaineStreet environments and it modifications are continuing as scheduled. Dr. Demers reviewed the timeline for Phase 1, Phase 2 and the Campus Solutions Reimplementation for this five-year project.

**State of IT 2022 Report**
Chief Information Officer Demers provided a brief overview of the State of the IT 2022 Report. The report focuses on repaving MaineStreet, managed print services and Multifactor Authentication (MFA). The benefits from the repaving MaineStreet will provide improved MaineStreet experience for everyone, expanded opportunities of collaboration between campuses and cross-campus access for students and enhanced consistency to support process improvement and data consistency across all platforms.

Multifactor Authentication is a method that requires two or more verification factors to gain access to a resource. It is a proven strategy to help mitigate the likelihood of a successful cyber-attack. UMS has partnered with the Internet2 consortium to license/deploy Duo MFA. The MFA pilot was completed in 2022 to work through the technical, support process, and other decisions required to successfully deploy MFA within the UMS using the Duo Security application focusing on Single Sign-on (SSO). It will become generally available to faculty and staff in 2023 with discussions underway to make it available to students. The transition to a new Duo interface is planned for 2023 to provide more functionality.

The current contract for Managed Print Services with Canon Device & Support expired on September 30, 2022. An RFP was conducted in early 2022 and the contract was awarded to Xerox. The contract will include consistent end user experience, security, environmental sustainability and efficiency and fiscal responsibility. A System-wide equipment assessment was executed by Xerox for fleet optimization recommendations which will reduce equipment cost based on assessment recommendations. A single financial business model will be deployed UMS-wide to support finance, billing and chargeback to deliver unified managed print services for end user experience. All of the Xerox equipment are bundled with the same capabilities. The new devices began arriving in late December and the majority of the new devices are expected to be deployed by the end of March 2023.

The Capital Projects Status Report and Bond Projects Update, the FY2022 Annual Report on Gifts, Fundraising and Endowments and the FY2022 Sole-Source Procurement Report were provided in the meeting materials and were not discussed during the meeting.

Additional information about the meeting can be found on the Board of Trustees website: [https://www.maine.edu/board-of-trustees/meeting-agendas-materials/finance-facilities-technology/](https://www.maine.edu/board-of-trustees/meeting-agendas-materials/finance-facilities-technology/)

Adjournment.

Ellen N. Doughty, Clerk