

Board of Trustees

**Finance, Facilities & Technology Committee**

April 16, 2025 at 9:00am

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 – 10:35am  
    **TAB 1**      Reserves and Reserve Policy / FY26 University of Maine System Budget /  
Enrollment Data
- 10:35am – 11:05am  
    **TAB 2**      Maine Center Discussion
- 11:05am – 11:25am  
    **TAB 3**      Energy Procurement Overview
- 11:25am – 11:45am      Additional Committee Q & A
- 11:45am – 12:00pm      **EXECUTIVE SESSION**  
    The Finance, Facilities & Technology Committee will enter Executive Session  
    under the provision of 1 MRSA SECTION 405 6-C

Action items within the Committee purview are noted in green.

Items for Committee decisions and recommendations are noted in red.

*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.*

University of Maine System  
Board of Trustees

## **AGENDA ITEM SUMMARY**

**NAME OF ITEM:** Reserves and Reserve Policy / FY26 University of Maine System Budget / Enrollment Data

**CAMPUS PRESENTER(S):** Ryan Low, Vice Chancellor for Administration and Strategic AI Integration

**INITIATED BY:** Roger J. Katz, Chair

**BOARD INFORMATION:** X

**BOARD ACTION:**

**BOARD POLICY:**

700

**UNIFIED ACCREDITATION CONNECTION:**

**UMS STRATEGIC PLAN CONNECTION:**

**BACKGROUND:**

Vice Chancellor Low will discuss several topics related to the FY26 University of Maine System Budget:

- 1) Reserves and Reserve Policy Update
  - a. Vice Chancellor Low will present an overview of proposed changes to the UMS Reserve Policy, outlining key adjustments aimed at improving financial management across the system. The discussion will cover the rationale behind these changes, their potential impact on current financial practices, and how they align with the system's long-term financial sustainability goals.
- 2) FY26 University of Maine System Budget
  - a. Shared Services
  - b. Governance
- 3) Enrollment Data Analysis

Attachments

[April 16 FFT Work Session](#)

[Reserves Draft for FFT](#)



For Review & Discussion  
at the April FFT Workshop

# UNRESTRICTED NET POSITION



## Reserves - Unrestricted Net Position

Ensuring strong financial health by maintaining optimal reserves is crucial for effective financial management and governance.



### Financial Safety Net

Unrestricted reserves function as a financial cushion, protecting organizations from unforeseen circumstances and economic volatility.



### Strategic Flexibility

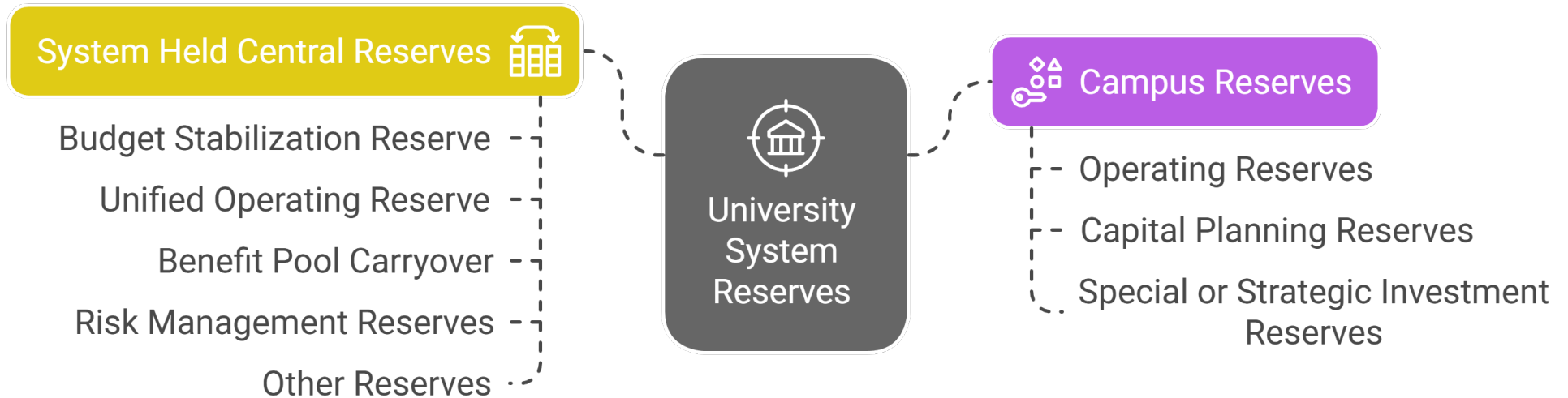
Healthy unrestricted net positions allow organizations to pursue strategic opportunities and respond to challenges with agility.



### Organizational Stability

Adequate reserves demonstrate financial health and contribute to long-term sustainability and operational continuity.

## University System Reserves Management



### Financial Summary

The University of Maine System's financial composition reveals a strategic evolution in resource allocation over the past decade. Operating Reserve has demonstrated consistent strengthening, with a nearly fivefold increase from \$7.8 million in FY14—creating a more robust foundation for institutional stability. Meanwhile, Budget Stabilization funds have undergone a structural transition, moving from consistently high levels through FY21 toward lower sustained balances in recent years. Other Funds have shown notable variability throughout the period, with significant fluctuations representing the System's adaptability to changing financial landscapes.

#### Operating Reserve Growth

Long-term increase: **+\$27,246** from FY14-FY24  
Consistent growth pattern since FY18

#### Budget Stabilization Transition

Structural shift after FY21: **-\$16,696**  
FY14-FY21 avg: **\$14,756** vs. FY22-FY24 avg: **\$4,891**

Data represents University of Maine System financial position from fiscal years 2014-2025 (FY25 as of March 31, 2025)  
All values shown in thousands of dollars (\$)

## University of Maine System

### Composition of Unrestricted Net Position

Financial Years 2014-2025\* • Values in Thousands (\$) • \*FY25 as of 3/31/25

Operating Reserve

**\$15,790**

-19,303 (-55.0%)  
vs Previous Year

Budget Stabilization

**\$9,700**

+4,896 (101.9%)  
vs Previous Year

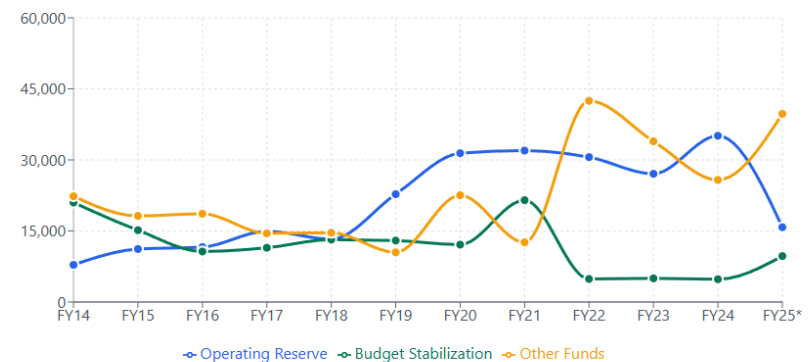
Other Funds

**\$39,722**

+13,950 (54.1%)  
vs Previous Year

### Trend Analysis

FY14-FY24 Analysis



## Financial Summary

The University of Maine at Augusta has demonstrated notable financial resilience over the past decade. Despite market fluctuations, Education & General funds maintained strong performance through FY23, showing the institution's commitment to its core academic mission. While Auxiliary Services have faced challenges since FY20, the overall financial position remains stable, with strategic opportunities for future growth.

### E&G Funds Performance

Peaked at **\$10,762** in FY16  
Currently at **\$8,899** (FY24)  
Showing decline compared to previous fiscal year.

### Auxiliary Services Outlook

Transition period since FY20  
Recovery trend: **\$711** improvement from FY23 low  
Showing strong recovery from previous fiscal year.

Data represents University of Maine at Augusta's financial position from fiscal years 2014-2024  
All values shown in thousands of dollars (\$)

## University of Maine at Augusta

### Composition of Unrestricted Net Position

Financial Years 2014-2024 • Values in Thousands (\$)

E&G Funds

**\$8,899**

-1,411 (-13.7%)  
vs Previous Year

AUX Services

**\$-741**

+711 (49.0%)  
vs Previous Year

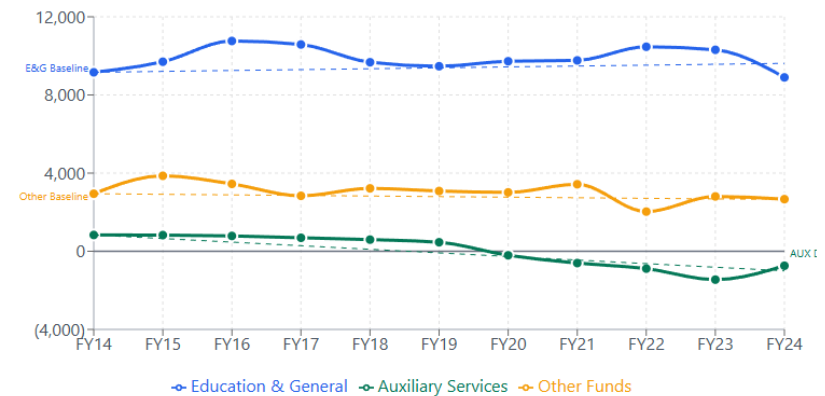
Other Funds

**\$2,667**

-139 (-5.0%)  
vs Previous Year

### Trend Analysis

FY14-FY24 Analysis



### Financial Summary

The University of Maine and University of Maine at Machias have demonstrated notable financial resilience over the past decade. Despite market fluctuations, Education & General funds maintained strong performance through FY21, showing the institution's commitment to its core academic mission. While there has been a significant transition in recent years, the growth in Other Funds demonstrates the institution's successful diversification strategy.

#### E&G Funds Performance

Peaked at \$38,950 in FY21  
Currently at \$10,003 (FY24)

#### Auxiliary Services Outlook

Transition period since FY21  
Recovery trend: \$5,005 improvement from FY21 low

Data represents University of Maine and University of Maine at Machias financial position from fiscal years 2014-2024  
All values shown in thousands of dollars (\$)

## University of Maine

### University of Maine at Machias

#### Composition of Unrestricted Net Position

Financial Years 2014-2024 • Values in Thousands (\$)

E&G Funds

**\$10,003**

-8,897 (-47.1%)  
vs Previous Year

AUX Services

**\$10,133**

-1,469 (-12.7%)  
vs Previous Year

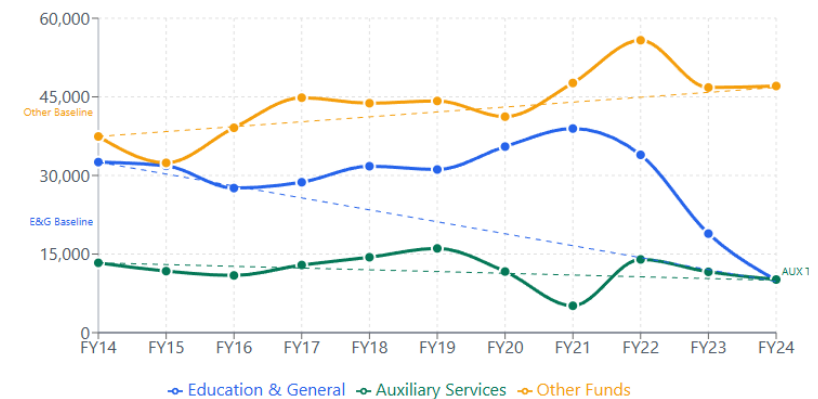
Other Funds

**\$47,069**

+288 (0.6%)  
vs Previous Year

### Trend Analysis

FY14-FY24 Analysis



### Financial Summary

The University of Maine at Farmington has demonstrated notable financial restructuring over the past decade. While Education & General funds have faced significant challenges since FY17, Other Funds have shown resilience with recent growth, providing important financial stability. The institution is navigating a period of transition with a focus on optimizing resource allocation.

#### E&G Funds Performance

Transition from \$2,808 in FY14  
Stabilization efforts ongoing

#### Other Funds Outlook

Strong growth in FY24  
Year-over-year increase: **\$776 (+71.9%)**

Data represents University of Maine at Farmington financial position from fiscal years 2014-2024  
All values shown in thousands of dollars (\$)

## University of Maine at Farmington

### Composition of Unrestricted Net Position

Financial Years 2014-2024 • Values in Thousands (\$)

E&G Funds

**\$-9,508**

-2,592 (-37.5%)

vs Previous Year

AUX Services

**\$-1,121**

-846 (-307.6%)

vs Previous Year

Other Funds

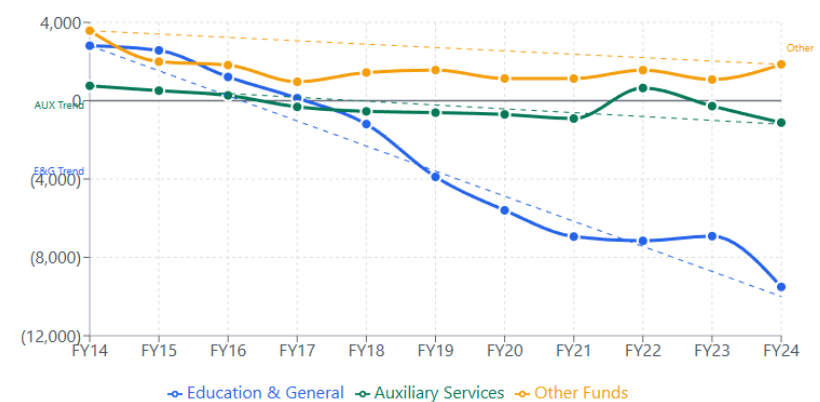
**\$1,856**

+776 (71.9%)

vs Previous Year

### Trend Analysis

FY14-FY24 Analysis



## Financial Summary

The University of Maine at Fort Kent has achieved exceptional transformation in Education & General funds over the past decade, expanding from \$364,000 in FY14 to over \$4.1 million in FY24. This extraordinary trajectory highlights the institution's focused commitment to strengthening its core academic mission. While Auxiliary Services continue to face challenges, Other Funds have shown resilience with positive growth in the most recent fiscal year.

### E&G Funds Performance

1,031% growth since FY14  
Year-over-year growth: **+\$176** (4.5%)

### Other Funds Outlook

Strong recovery in FY24  
Year-over-year increase: **+\$163** (+23.2%)

Data represents University of Maine at Fort Kent financial position from fiscal years 2014-2024  
All values shown in thousands of dollars (\$)

## University of Maine at Fort Kent

### Composition of Unrestricted Net Position

Financial Years 2014-2024 • Values in Thousands (\$)

E&G Funds

**\$4,116**

+176 (4.5%)  
vs Previous Year

AUX Services

**\$-4,116**

-733 (-21.7%)  
vs Previous Year

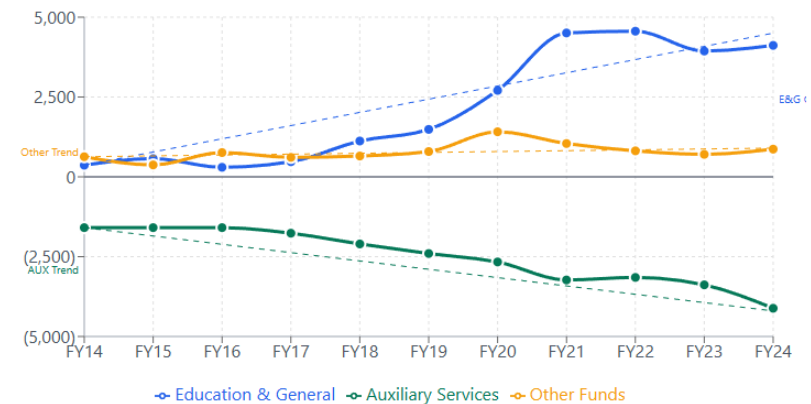
Other Funds

**\$867**

+163 (23.2%)  
vs Previous Year

### Trend Analysis

FY14-FY24 Analysis



### Financial Summary

The University of Maine at Presque Isle has demonstrated remarkable financial resilience in FY24, with Education & General funds showing a dramatic recovery after five consecutive years of negative balances. This impressive turnaround of over 200% represents a significant achievement in financial stabilization. While Auxiliary Services have shifted to a negative position, Other Funds continue to provide strong support at levels significantly higher than the first half of the decade.

#### E&G Funds Turnaround

Dramatic recovery: +\$1,025 (204.2%)  
First positive balance since FY18

#### Other Funds Strength

Maintains strong position at \$1,177  
116% higher than FY14-FY18 average

Data represents University of Maine at Presque Isle financial position from fiscal years 2014-2024  
All values shown in thousands of dollars (\$)

## University of Maine at Presque Isle

### Composition of Unrestricted Net Position

Financial Years 2014-2024 • Values in Thousands (\$)

E&G Funds

**\$523**

+1,025 (204.2%)  
vs Previous Year

AUX Services

**\$-138**

-680 (-125.5%)  
vs Previous Year

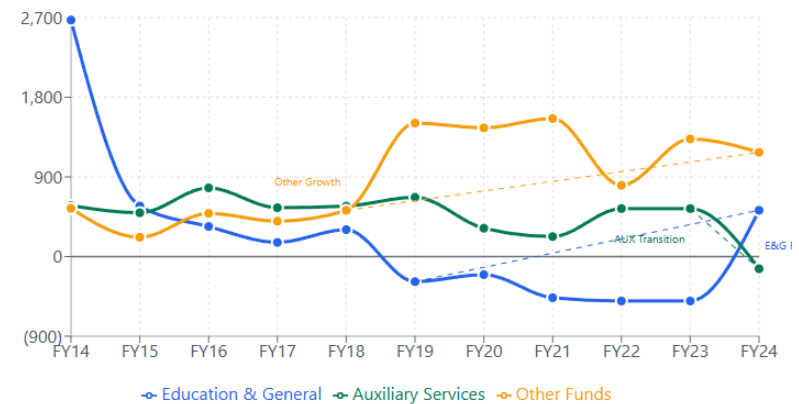
Other Funds

**\$1,177**

-152 (-11.4%)  
vs Previous Year

### Trend Analysis

FY14-FY24 Analysis



## Financial Summary

The University of Southern Maine has experienced significant financial shifts over the past decade. After a period of strong E&G growth through FY22, the institution has undergone a major transition with a substantial realignment of resources. While E&G and Auxiliary funds have faced challenges in recent years, Other Funds have shown impressive recovery in FY24, demonstrating the institution's strategic focus on diversifying its financial resources.

### Recent E&G Transition

Peaked at **\$11,341** in FY22  
Strategic adjustments: **\$11.5 million** shift from FY22-FY24

### Other Funds Resurgence

Strong growth: **+\$3,454** (+77.1%)  
120% increase since FY21

Data represents University of Southern Maine financial position from fiscal years 2014-2024  
All values shown in thousands of dollars (\$)

## University of Southern Maine

### Composition of Unrestricted Net Position

Financial Years 2014-2024 • Values in Thousands (\$)

E&G Funds

**\$-149**

-171 (-777.3%)  
vs Previous Year

AUX Services

**\$-5,811**

-831 (-16.7%)  
vs Previous Year

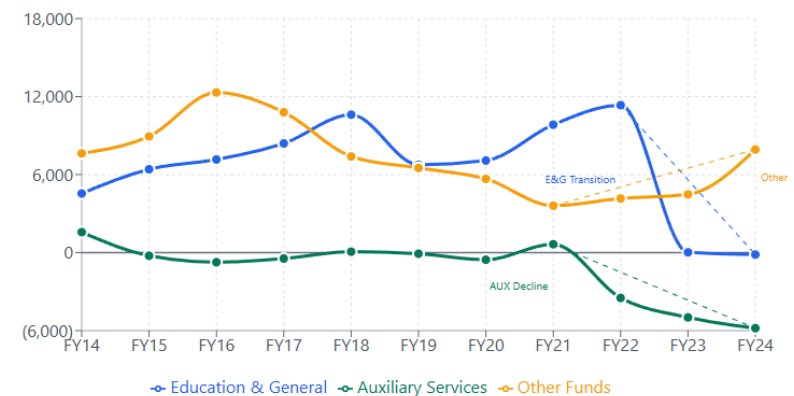
Other Funds

**\$7,931**

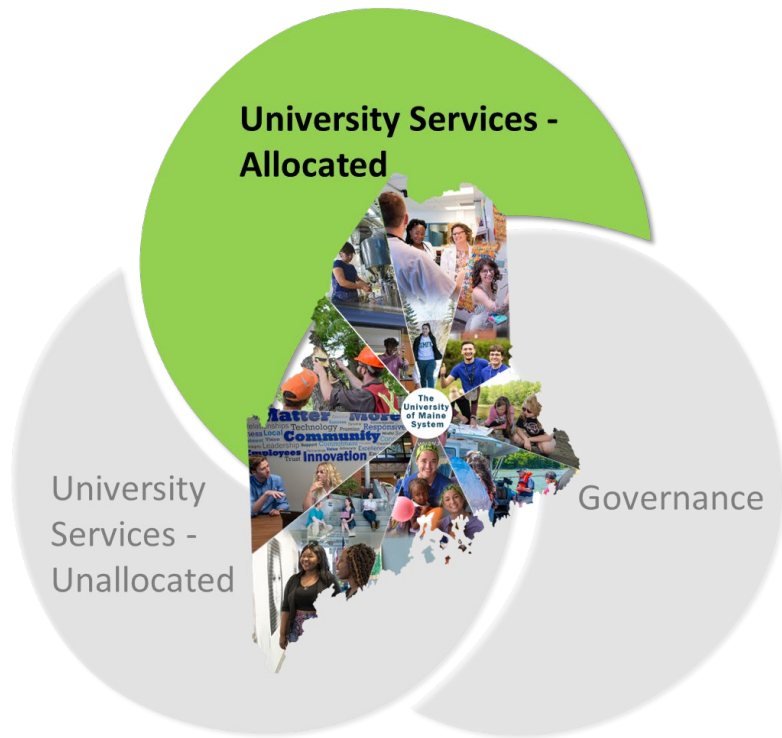
+3,454 (77.1%)  
vs Previous Year

### Trend Analysis

FY14-FY24 Analysis







## Shared Services Staffing

Fiscal Year 2026

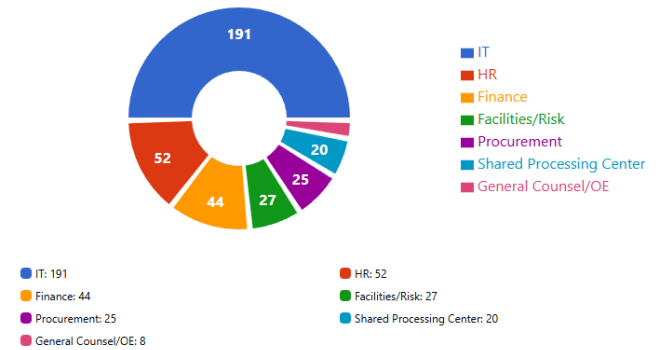
**367**

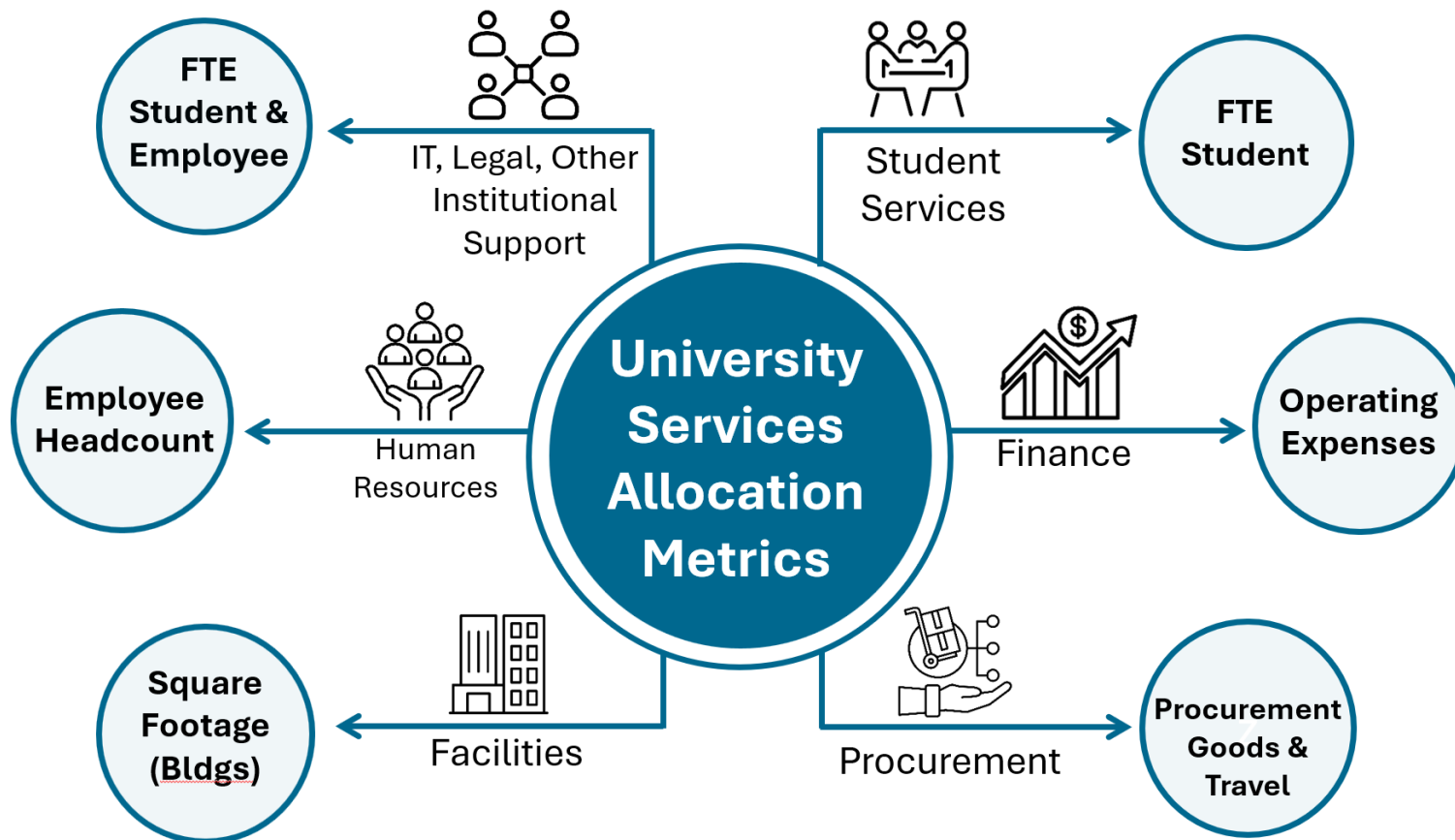


Total Allocated Positions

Reduction of 21 positions or 5% from FY25

### Staffing Distribution





# Unified Services vs Campus Services

*Allocated University Services are further designated as Unified Services or Campus Services*

**\$41M**

**Unified Services** include individuals that are responsible for oversight and support for all campuses; costs are allocated to campuses based on appropriate metrics (# of employees, square footage, etc.)

## Examples

Controller's Office – central financial activities including audited financial statements, cash management, investments, System policies, etc. The expense budget for this department is allocated across all campuses.

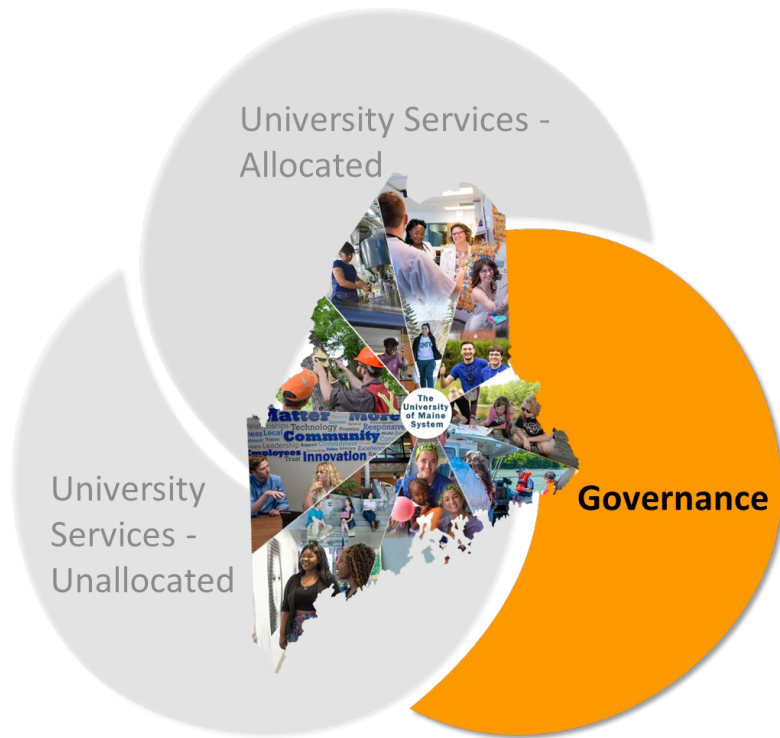
**\$15M**

**Campus Services** include individuals that are part of University Services yet their primary responsibility is to the specific campus where they are located. Segments of IT, HR, Facilities, and Finance are classified as Campus Services.

UMA Campus CBO & staff - these individuals are part of the University Services overall budget, but they are classified as Campus Services as their primary responsibility is the financial oversight of UMA. The UMA Finance Office expense budget is allocated directly to UMA.

## University Service - Allocated

	Allocated University Services			
	FY25 BASE	FY26 BASE	BUDGET CHANGE	
<b>Revenues</b>				
Indirect Cost Recovery	\$ 1,000	\$ 20,000	\$ 19,000	1900.0%
Investment Income/Gifts	264,155	264,155	-	0.0%
Sales/Services/Auxiliary	615,582	869,300	253,718	41.2%
<b>Total Revenue</b>	<b>880,737</b>	<b>1,153,455</b>	<b>272,718</b>	<b>31.0%</b>
<b>Expenses</b>				
Salaries & Wages	\$28,192,612	\$29,065,174	\$872,562	3.1%
Attrition (Salary Only)	(669,894)	(888,140)	(218,246)	32.6%
Employee Benefits Including Attrition	12,006,199	13,670,679	1,664,480	13.9%
Personnel	39,528,917	41,847,713	2,318,796	5.9%
Other Expenses & Transfers:				
Fuel & Electricity	11,830	10,530	(1,300)	-11.0%
Supplies & Services	8,282,538	8,795,833	513,295	6.2%
Shared Services	(53,144,593)	(55,848,046)	(2,703,453)	5.1%
Travel	170,978	166,545	(4,433)	-2.6%
Memberships, Contributions & Sponsorships	109,171	98,335	(10,836)	-9.9%
Maintenance & Alterations	2,551,806	3,207,955	656,149	25.7%
Interest	176	-	(176)	-100.0%
Other Expenses	2,223,922	2,217,600	(6,322)	-0.3%
Unassigned Budget	-	(906,205)	(906,205)	
Transfers - Other	158,861	595,895	437,034	
<b>Total Other Expenses &amp; Transfers</b>	<b>(39,635,311)</b>	<b>(41,661,558)</b>	<b>(2,026,247)</b>	<b>5.1%</b>
<b>Total Operating Expenses &amp; Transfers</b>	<b>(106,394)</b>	<b>186,155</b>	<b>292,549</b>	<b>-275.0%</b>
<b>Operating Increase (Decrease)</b>	<b>\$ 987,131</b>	<b>\$ 967,300</b>	<b>\$ (19,831)</b>	<b>-2.0%</b>
<b>Modified Cash Flow</b>				
Operating Increase (Decrease)	\$ 987,131	\$ 967,300	\$ (19,831)	-2.0%
Less Capital Expenditures	(973,315)	(967,300)	6,015	-0.6%
Less Debt Service Principal	(13,816)	-	13,816	-100.0%
<b>Net Change Before Other Adjustments &amp; Transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	



## Governance Staffing

Fiscal Year 2026

**25**

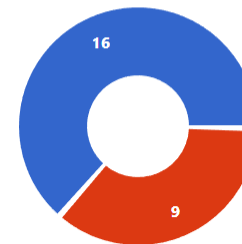
FY26

**Total Positions**

Funded directly with State Appropriation

Reduction of 1 position from FY25

### Staffing Distribution



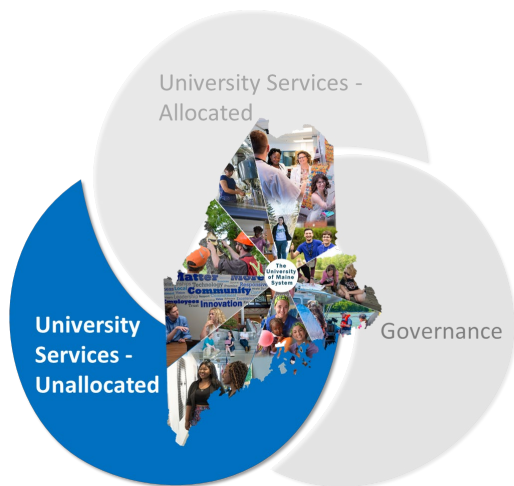
Board of Trustees / Chancellor / Senior Leadership: 16

Supporting Staff: 9



**Governance**

19



## University Services – Unallocated

**Strategic initiatives funded through:**

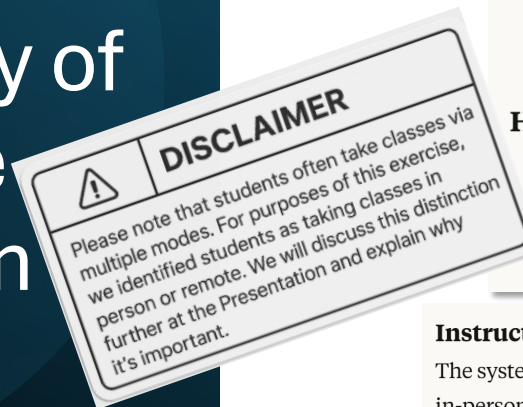
- Legislative appropriations (e.g., Early College)
- UMS budget process, identified as having system-wide impact



**University  
Services -  
Unallocated**

FY26 UNALLOCATED UNIVERSITY SERVICES	
<u>Direct Appropriation</u>	
Adult Degree Completion	1,500,000
Early College	1,716,000
Interpersonal Violence Prevention	393,750
ME Paid Family Medical Leave	4,000,000
	7,609,750
<u>Strategic Appropriation</u>	
Community Connection	25,000
Libraries	1,063,393
IR	531,423
Executive Transition	250,000
Maine Center	2,000,000
Marketing	750,000
Capital Planning	1,339,266
Financial Literacy, Distance Ed, Bond	69,840
Healthcare Purchasers Alliance	90,000
Vice Chancellor-Research	875,000
Research Reinvestment Fund	2,100,000
Demolition	850,000
Shared Services - Law School	300,000
TBD	2,917,134
	13,161,056
Total Appropriation	20,770,806
Capital fm Investment Income	2,764,824
<b>GRAND TOTAL</b>	<b>23,535,630</b>

# University of Maine System



## System Overview (Projected Fall 2025)

**Total System Headcount:** 26,154 students

- **Full-Time Students:** 18,481 (70.7% of total)
- **Part-Time Students:** 7,673 (29.3% of total)

### Instructional Mode:

- **In-Person Classes:** 16,644 students (63.6% of total) [UPDATED]
- **Remote/Other:** 9,510 students (36.4% of total) [UPDATED]

### Housing Status:

- **In Campus Housing:** 6,495 students (24.8% of total)
- **Off-Campus:** 19,659 students (75.2% of total)

### Instructional Mode Trends [UPDATED]

The system has transitioned toward a slightly higher proportion of remote instruction, with in-person instruction decreasing from approximately 68% in Fall 2022 to 63.6% projected for Fall 2025. This system-level shift reflects both the growth of primarily remote campuses (UMPI) and the accurate accounting of UMA's instructional modes.

### Campus Housing Trends

System-wide campus housing utilization has increased from 23.1% in Fall 2022 to a projected 24.8% in Fall 2025, with most campuses showing growth in this area, particularly USM (19.4% to 27.6%).

# University of Maine at Augusta

## Current Enrollment Overview (Projected Fall 2025)

**Total Headcount:** 2,973 students

- **Full-Time Students:** 1,276 (42.9% of total)
- **Part-Time Students:** 1,697 (57.1% of total)

### Instructional Mode:

- **In-Person Classes:** 778 students (26.2% of total) [UPDATED]
- **Remote/Other:** 2,195 students (73.8% of total) [UPDATED]

### Housing Status:

- **In Campus Housing:** 134 students (4.5% of total)
- **Off-Campus:** 2,839 students (95.5% of total)

## In-Person Attendance [UPDATED]

- **Fall 2022:** 730 students (22.4%)
- **Fall 2023:** 813 students (25.9%)
- **Fall 2024:** 763 students (25.1%)
- **Projected Fall 2025:** 778 students (26.2%)

With the corrected data, we can see that in-person attendance has actually increased as a percentage of total enrollment from 22.4% to 26.2%, even as total enrollment has declined. This indicates a modest but consistent shift toward more in-person education.

## Campus Housing

- **Fall 2022:** 77 students (2.4%)
- **Fall 2023:** 99 students (3.1%)
- **Fall 2024:** 124 students (4.1%)
- **Projected Fall 2025:** 134 students (4.5%)

Campus housing utilization has shown significant growth, with a **74% increase** in the number of students living in campus housing from 2022 to the 2025 projection.

## UMA's Position Within the System (Projected Fall 2025) [UPDATED]

- **Enrollment Size:** UMA ranks 4th in total enrollment among the 6 campuses
- **Full-Time Students:** UMA has the lowest percentage of full-time students
- **In-Person Learning:** UMA ranks 5th in percentage of students taking in-person classes (ahead of only UMPI)

# University of Maine

## University of Maine at Machias

### Current Enrollment Overview (Projected Fall 2025)

**Total Headcount:** 11,158 students

- **Full-Time Students:** 8,848 (79.3% of total)
- **Part-Time Students:** 2,310 (20.7% of total)

#### Instructional Mode:

- **In-Person Classes:** 9,277 students (83.1% of total)
- **Remote/Other:** 1,881 students (16.9% of total)

#### Housing Status:

- **On Campus Housing:** 3,639 students (32.6% of total)
- **Off-Campus:** 7,519 students (67.4% of total)

### In-Person Attendance

- **Fall 2022:** 9,424 students (82.2%)
- **Fall 2023:** 9,176 students (82.3%)
- **Fall 2024:** 9,281 students (83.1%)
- **Projected Fall 2025:** 9,277 students (83.1%)

The percentage of students taking in-person classes has remained very stable, showing only a slight increase from 82.2% to 83.1% over the four-year period.

### Campus Housing

- **Fall 2022:** 3,374 students (29.4%)
- **Fall 2023:** 3,350 students (30.0%)
- **Fall 2024:** 3,632 students (32.5%)
- **Projected Fall 2025:** 3,639 students (32.6%)

Campus housing utilization has shown steady growth as a percentage of total enrollment, increasing from 29.4% to 32.6%, with the most significant increase occurring between 2023 and 2024.

### UM/UMM vs. System Average (Projected Fall 2025)

Metric	UM/UMM	System Average	Difference
Full-Time %	79.3%	70.7%	+8.6%
In-Person %	83.1%	67.8%	+15.3%
Housing %	32.6%	24.8%	+7.8%

# University of Maine at Farmington

## Current Enrollment Overview (Projected Fall 2025)

**Total Headcount:** 1,827 students

- **Full-Time Students:** 1,210 (66.2% of total)
- **Part-Time Students:** 617 (33.8% of total)

### Instructional Mode:

- **In-Person Classes:** 1,399 students (76.6% of total)
- **Remote/Other:** 428 students (23.4% of total)

### Housing Status:

- **On Campus Housing:** 649 students (35.5% of total)
- **Off-Campus:** 1,178 students (64.5% of total)

## In-Person Attendance

- **Fall 2022:** 1,405 students (91.5%)
- **Fall 2023:** 1,354 students (88.8%)
- **Fall 2024:** 1,332 students (82.5%)
- **Projected Fall 2025:** 1,399 students (76.6%)

While the absolute number of in-person students has remained relatively stable, the percentage has decreased from 91.5% to 76.6%, indicating growth in remote/online programs

## Campus Housing

- **Fall 2022:** 725 students (47.2%)
- **Fall 2023:** 666 students (43.7%)
- **Fall 2024:** 630 students (39.0%)
- **Projected Fall 2025:** 649 students (35.5%)

Campus housing utilization has shown a decline as a percentage of total enrollment, decreasing from 47.2% to 35.5%, though the projected absolute number for 2025 shows a slight increase from 2024.

## Comparative Analysis

### UMF vs. System Average (Projected Fall 2025)

Metric	UMF	System Average	Difference
Full-Time %	66.2%	70.7%	-4.5%
In-Person %	76.6%	67.8%	+8.8%
Housing %	35.5%	24.8%	+10.7%

# University of Maine at Presque Isle

## Current Enrollment Overview (Projected Fall 2025)

**Total Headcount:** 2,995 students

- **Full-Time Students:** 1,997 (66.7% of total)
- **Part-Time Students:** 998 (33.3% of total)

### Instructional Mode:

- **In-Person Classes:** 465 students (15.5% of total)
- **Remote/Other:** 2,530 students (84.5% of total)

### Housing Status:

- **On Campus Housing:** 190 students (6.3% of total)
- **Off-Campus:** 2,805 students (93.7% of total)

## In-Person Attendance

- **Fall 2022:** 504 students (39.9%)
- **Fall 2023:** 444 students (29.4%)
- **Fall 2024:** 447 students (20.6%)
- **Projected Fall 2025:** 465 students (15.5%)

While the absolute number of in-person students has remained relatively stable, the percentage has dramatically decreased from 39.9% to 15.5% due to the rapid growth in total enrollment, suggesting that virtually all new enrollment growth is in remote/online programs.

## Campus Housing

- **Fall 2022:** 176 students (13.9%)
- **Fall 2023:** 175 students (11.6%)
- **Fall 2024:** 175 students (8.1%)
- **Projected Fall 2025:** 190 students (6.3%)

Campus housing utilization has remained fairly stable in absolute numbers but has declined significantly as a percentage due to overall enrollment growth.

## Comparative Analysis

### UMPI vs. System Average (Projected Fall 2025)

Metric	UMPI	System Average	Difference
Full-Time %	66.7%	70.7%	-4.0%
In-Person %	15.5%	67.8%	-52.3%
Housing %	6.3%	24.8%	-18.5%

# University of Maine at Fort Kent

## Current Enrollment Overview (Projected Fall 2025)

**Total Headcount:** 841 students

- **Full-Time Students:** 447 (53.2% of total)
- **Part-Time Students:** 394 (46.8% of total)

### Instructional Mode:

- **In-Person Classes:** 332 students (39.5% of total)
- **Remote/Other:** 509 students (60.5% of total)

### Housing Status:

- **On Campus Housing:** 130 students (15.5% of total)
- **Off-Campus:** 711 students (84.5% of total)

## In-Person Attendance

- **Fall 2022:** 351 students (48.4%)
- **Fall 2023:** 324 students (43.8%)
- **Fall 2024:** 306 students (39.7%)
- **Projected Fall 2025:** 332 students (39.5%)

The percentage of students taking in-person classes has declined from 48.4% to 39.5%, though the absolute number is projected to increase slightly in 2025 after previous declines.

## Campus Housing

- **Fall 2022:** 107 students (14.8%)
- **Fall 2023:** 119 students (16.1%)
- **Fall 2024:** 114 students (14.8%)
- **Projected Fall 2025:** 130 students (15.5%)

Campus housing utilization has remained relatively stable as a percentage but has grown in absolute numbers in line with overall enrollment growth.

## Comparative Analysis

### UMFK vs. System Average (Projected Fall 2025)

Metric	UMFK	System Average	Difference
Full-Time %	53.2%	70.7%	-17.5%
In-Person %	39.5%	67.8%	-28.3%
Housing %	15.5%	24.8%	-9.3%

# University of Southern Maine

## Current Enrollment Overview (Projected Fall 2025)

**Total Headcount:** 6,360 students

- **Full-Time Students:** 4,703 (73.9% of total)
- **Part-Time Students:** 1,657 (26.1% of total)

### Instructional Mode:

- **In-Person Classes:** 4,393 students (69.1% of total)
- **Remote/Other:** 1,967 students (30.9% of total)

### Housing Status:

- **On Campus Housing:** 1,753 students (27.6% of total)
- **Off-Campus:** 4,607 students (72.4% of total)

### In-Person Attendance

- **Fall 2022:** 4,318 students (68.7%)
- **Fall 2023:** 4,261 students (68.8%)
- **Fall 2024:** 4,322 students (69.1%)
- **Projected Fall 2025:** 4,393 students (69.1%)

The percentage of students taking in-person classes has remained remarkably stable, showing only a minimal increase from 68.7% to 69.1% over the four-year period.

## Campus Housing

- **Fall 2022:** 1,219 students (19.4%)
- **Fall 2023:** 1,445 students (23.3%)
- **Fall 2024:** 1,761 students (28.1%)
- **Projected Fall 2025:** 1,753 students (27.6%)

Campus housing utilization has shown substantial growth, increasing from 19.4% to 27.6% of total enrollment, with a particularly significant jump between 2022 and 2024, followed by a slight projected decrease in 2025.

## Comparative Analysis

### USM vs. System Average (Projected Fall 2025)

Metric	USM	System Average	Difference
Full-Time %	73.9%	70.7%	+3.2%
In-Person %	69.1%	67.8%	+1.3%
Housing %	27.6%	24.8%	+2.8%

University of Maine System  
DRAFT Administrative Practice Letter (APL) on Reserves  
For Discussion with the Finance, Facilities, and Technology Committee

## A. Introduction to UMS System and Campus Level Reserves

Reserves represent an accumulation of funds set aside for future purposes. A subset of Unrestricted Net Position (UNP) in the audited financial statements, reserves represent the net accumulated surpluses and deficits from prior years' general operations and transfers.

Campuses and the System aim to maintain positive reserve balances to support long-term financial stability. They generally use reserves for the following purposes:

- Addressing unexpected revenue shortfalls (e.g., reductions in anticipated state appropriations);
- covering unforeseen expenses (e.g., one-time legal fees, major disasters); and
- supporting strategic, one-time investments and initiatives.

Both the System and individual campuses hold reserves, with the sources and uses described in the sections below.

This APL does not apply to unrestricted balances associated with projects, programs, and designated activities (i.e., general ledger funds 04, 12, 13, 18, and 19).

## B. System Held Central Reserves

As described below, the UMS Vice Chancellor for Finance and Treasurer manages System held central reserves to support system-wide and campus initiatives, in alignment with this APL and the direction of the Board of Trustees. These reserves help the System respond to unforeseen state economic conditions or other fiscal challenges, cover unexpected costs, and fund strategic initiatives. The System also maintains these reserves to support its self-insured employee benefits and other insurance programs, as needed.

Annually, the UMS Vice Chancellor for Finance and Treasurer submits a report to the UMS' Finance, Facilities & Technology (FFT) Committee detailing all transfers to and from the System held central reserves during the prior fiscal year.

System held central reserves include the following subcategories.

### 1. Budget Stabilization Reserve

The UMS established the Budget Stabilization Reserve to manage the financial impacts of adverse investment markets, State of Maine economic conditions (i.e., State budget

curtailments), and other financial challenges. Campuses may draw on this reserve only when necessary expense reductions would jeopardize campus stability. Use of the reserve requires approval from both the FFT Committee and the full Board of Trustees during the annual budget process.

The UMS funds this reserve from Operating Fund net investment income that exceeds the budgeted amount. The target balance for this reserve equals 10% of the State of Maine's General Fund E&G appropriation to UMS for the prior fiscal year.

## 2. Unified Operating Reserve

The Unified Operating Reserve supports non-budgeted emergency needs. This reserve funds strategic investments that promote system-wide growth, stimulate reform, expand programs benefiting the System as a whole, and cover unexpected legal settlements. Examples of prior uses include funding library subscriptions and acquisitions across the UMS and necessary renovations at newly acquired buildings. The target balance for this reserve is 15% of the State of Maine's General Fund E&G appropriation to UMS for the prior fiscal year.

## 3. Benefit Pool Carryover

The UMS maintains the Benefit Pool Carryover Reserve to manage major cost fluctuations associated with its benefit plans, including its self-insured health plan. Transfers to and from this reserve typically reflect the actual performance of the UMS-wide benefit pool operated by GUS.

Based on the UMS actuary's recommendation, the target balance for this reserve should be sufficient to cover three to six months of expected paid health claims and expenses.

## 4. Risk Management Reserves

The Risk Management Reserves serve as business insurance reserves to assist campuses in paying deductibles on claims as UMS utilizes high insurance deductibles to reduce insurance premium costs. Annual campus contributions fund these reserves.

## 5. Capital Planning Reserves

The System primarily uses Capital Planning Reserves to fund information technology (IT) equipment and systems, and other capital equipment acquisitions.

## 6. Special Appropriation Reserves

The State's General Fund allotment of appropriation includes earmarks for initiatives such as Early College, Adult Degree Completion, etc. The System transfers any surpluses or deficits from these specific initiatives to the applicable reserve.

## C. Campus Reserves

Generally, each campus maintains three types of reserves: operating, capital planning, and special or strategic investment.

### 1. Operating Reserves

Campuses maintain Operating Reserves to sustain financial operations during periods of unanticipated, significant unbudgeted operating expenses and/or reductions in operating revenues. These reserves provide resources to:

- respond to changes in the economic environment;
- sustain operations through temporary revenue setbacks caused by enrollment declines, funding reductions, or other issues; and
- preserve stakeholder confidence in campus fiscal management.

Campuses should use Operating Reserves to address short-term income and expense issues, not to resolve structural budget deficits. Use of these reserves should be temporary and serve to offset income shortfalls while the campus rebuilds or replaces revenue or reduces expenses in the near term.

Campus management should be prepared to annually report on their progress in meeting the Operating Reserve benchmarks established in this APL.

Each campus maintains a separate Operating Reserve for educational and general (E&G) operations and for each auxiliary enterprise:

#### a. E&G Operating Reserves

Each campus will work to establish and maintain an unrestricted Operating Reserve of at least 20% of its prior year Adjusted E&G Expenses – see ATTACHMENT I for illustration. A 20% E&G Operating Reserve would provide coverage for approximately ten weeks of E&G expenses.

At the end of each fiscal year, the net surplus or deficit ((revenues plus transfers in) less (expenses plus transfers out)) from E&G operations for each campus, will close to the respective campus' Operating Reserve.

When a campus seeks to use its E&G Operating Reserve and the balance is below, or will drop below, the 20% target, campus leadership shall submit a detailed proposal outlining the intended use of funds and a plan for replenishment to the UMS Vice Chancellor for Finance and Treasurer for review and approval. As part of this process, campus management shall evaluate other available categories of unrestricted and restricted net position to determine whether alternative funding sources are available and appropriate.

#### b. Auxiliary Operating Reserves

Each campus shall maintain an operating reserve for each major auxiliary enterprise operation (e.g., bookstore, residence and dining, motor pool). At the end of each fiscal year, the net surplus or deficit—calculated as revenues plus transfers in, less expenses plus transfers out—from each auxiliary enterprise operation shall automatically close to the corresponding Auxiliary Operating Reserve.

Each campus shall work to establish and maintain for each auxiliary operation, an unrestricted reserve of at least 20% of each respective operation's prior year Adjusted Auxiliary Expenses – see ATTACHMENT II for illustration. A reserve at this level provides coverage for approximately ten weeks of operating expenses for the respective auxiliary.

When a campus seeks to use an Auxiliary Operating Reserve and the balance is below, or will drop below, the 20% target, campus leadership shall submit a detailed proposal outlining the intended use of funds and a plan for replenishment to the UMS Vice Chancellor for Finance and Treasurer for review and approval. As part of this process, campus management shall evaluate other available categories of unrestricted and restricted net position to determine whether alternative funding sources are available and appropriate.

Campuses must clearly link any auxiliary reserve balance exceeding the recommended 20% threshold to specific programming and operating needs. Examples include planned capital expenses (including deferred maintenance) or reduction of fees and charges in the next fiscal year's operating budget. The campus Chief Business Officer (CBO) must review and approve such plans annually. Ideally, campuses should transfer amounts designated for planned capital expenses to an auxiliary capital planning reserve within the applicable auxiliary department.

### 2. Capital Planning Reserves

Campuses maintain Capital Planning Reserves to support future repair, renovation, demolition, or acquisition of real property, information technology (IT) equipment and systems, and other capital equipment. Each campus holds these reserves centrally; however, departments or colleges may also maintain equipment reserves when they can demonstrate a clear need and present a defined plan for timely use of the funds.

Each campus shall maintain separate capital planning reserves for E&G versus Auxiliary Enterprise operations. Campuses may hold the Auxiliary Enterprise capital planning reserve centrally or within the specific auxiliary unit for which the funds are designated.

### 3. Special or Strategic Investment Reserves

Special or strategic reserves are critical to a campus' ability to ensure the long-term stability of on-going programs or to fund new strategic investments. Establishing a new special/strategic reserve or adding to an existing one requires approval of the UMS Vice Chancellor for Finance and Treasurer. Generally, a campus should not make such a

request if its E&G Operating Reserve balance is below 10% of its Adjusted E&G Expenses. Campuses are encouraged to build their E&G Operating Reserves to the 20% of Adjusted E&G Expenses target before requesting special or strategic reserves.

## ATTACHMENT I

**Illustration – Calculating E&G Operating Reserve Target Balances**

	<u>\$ in thousands</u>
Fund 00 expenses and transfers*	\$ 277,800
Less depreciation expense*	(18,630)
Plus debt service principal*	<u>3,078</u>
<b>Adjusted E&amp;G Expenses</b>	<b>\$ 262,248</b>

**Operating Reserve Target Balances:**

Minimum Reserve Balance to be Reached Before the Campus Requests Special or Strategic Investment Reserves = 10% of Adjusted E&G Expenses	\$ 26,225
Target Minimum Operating Reserve Balance - 20% of Adjusted E&G Expenses	\$ 52,450

\* = Per the final STATS3EN\_UNRES\_EG report for the applicable fiscal year

## ATTACHMENT II

### Illustration – Calculating an Auxiliary Operating Reserve Target Balance for a Residence & Dining Operation

	<u>\$ in</u> <u>thousands</u>
Total Net Expenses for individual auxiliary operation*	\$1,836
Less balance in account 71699-Transfers to Aux Res YE Close'	<u>\$668</u>
<b>Adjusted Auxiliary operation expenses</b>	<b>\$ 2,504</b>
<b>Auxiliary Operating Reserve Target Balance:</b>	
Target Minimum Auxiliary Operating Reserve Balance - 20% of Adjusted Auxiliary Expenses	<b>\$ 501</b>

Above illustration is based on the below noted residence and dining departments for UMPL.

	<u>Dept</u> <u>7501106</u>	<u>Dept</u> <u>7701300</u>	<u>Dept</u> <u>7701312</u>	<u>Dept</u> <u>7000090</u>	<u>Dept</u> <u>7000091</u>	<u>Total</u>
Total Revenue*	\$ (59)	\$ 801	\$ 1,009	\$ 9	\$ -	\$1,760
Total Net Expenses for individual auxiliary operation*	\$ (54)	\$ 871	\$ 1,010	\$ 9	\$ -	\$1,836
Less balance in account 71699-Transfers to Aux Res YE Close'	\$ 367	\$ 455	\$ (207)	\$ 35	\$ 18	\$668
<b>Adjusted Auxiliary operation expenses</b>	<b>\$ 313</b>	<b>\$ 1,326</b>	<b>\$ 803</b>	<b>\$ 44</b>	<b>\$ 18</b>	<b>\$2,504</b>

\* = Per GL Inquiry view. Does not include depreciation expense.

University of Maine System  
Board of Trustees

**AGENDA ITEM SUMMARY**

**NAME OF ITEM:** Maine Center Discussion

**CAMPUS PRESENTER(S):** Seth Goodall, CEO Maine Center Ventures

**INITIATED BY:** Roger J. Katz, Chair

**BOARD INFORMATION:** X

**BOARD ACTION:**

**BOARD POLICY:**  
700

**UNIFIED ACCREDITATION CONNECTION:**

**UMS STRATEGIC PLAN CONNECTION:**

**BACKGROUND:**

Maine Center Leadership will engage in a discussion of both current and projected budgets. This will include an exploration of longer-term goals and potential funding strategies beyond the current support provided by the Harold Alfond Foundation (HAF) grant.

4/4/2025

University of Maine System  
Board of Trustees

**AGENDA ITEM SUMMARY**

**NAME OF ITEM:** Energy Procurement Overview

**CAMPUS PRESENTER(S):** Gretchen Catlin, Chief Facilities and General Services Officer

**INITIATED BY:** Roger J. Katz, Chair

**BOARD INFORMATION:** X

**BOARD ACTION:**

**BOARD POLICY:**

700

**UNIFIED ACCREDITATION CONNECTION:**

**UMS STRATEGIC PLAN CONNECTION:**

**BACKGROUND:**

Gretchen Catlin, Chief Facilities and General Services Officer, will review the energy procurement data that was requested by Trustees at the March 19, 2025 meeting.

Attachment

[Energy Procurement Overview](#)



# Energy Procurement Overview

# UMS's Multi-Faceted Procurement Strategy



## Strategic Planning

The process begins with early strategy discussions, typically starting in February, followed by stakeholder meetings to align priorities and goals.



## Market Analysis

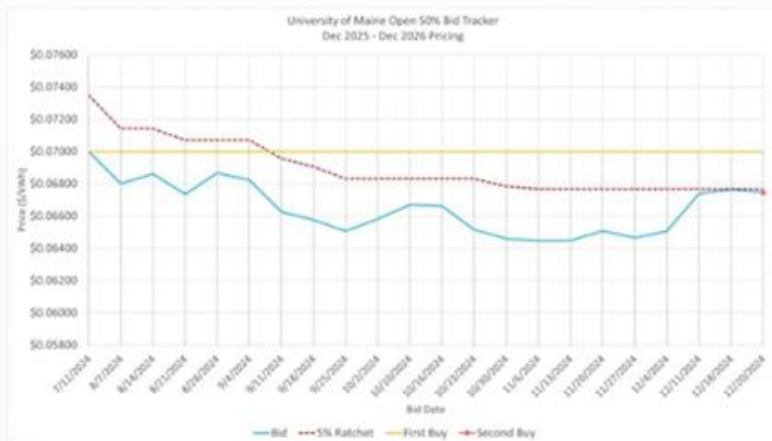
Continuous monitoring of energy markets, including natural gas prices, LNG export capacity, and electricity pricing trends to inform decision-making.



## Risk Management

Implementation of hedging strategies to protect against market volatility and secure predictable energy costs for budgeting purposes.

# Electricity Procurement Approaches



## Ratchet Strategy

UMaine employs a more dynamic "ratchet" approach:

- Set a baseline price with a 5% ceiling
- Monitor weekly market quotes
- Lower the price threshold if market moves down
- Lock in price if market begins to move up



## Traditional Hedging Strategy

For some campuses, UMS implements a conventional hedging approach:

- Purchase electricity in scheduled tranches over time
- Secure fixed-price contracts for predetermined periods
- Spread purchases to average price exposure
- Maintain consistent budget predictability

## Market Factors Influencing Energy Prices

### Natural Gas Market Dynamics

Natural gas prices significantly impact costs. Key factors include:

- Storage levels relative to 5-year averages
- Production cuts and weather patterns
- LNG export capacity expansions (13 Bcf/d growth projected)

### Electricity Market Trends

New England Power Pool (NEPOOL) electricity prices are affected by:

- Heating demand fluctuations
- Supply and demand balances

In New England, electricity generation is heavily dependent on natural gas. If regional gas prices rise more than the national average, it pushes up electricity prices in NEPOOL.

*Note: NEPOOL is the regional electricity market framework that impacts how energy is priced and distributed in New England.*

### Transmission & Distribution Rate Changes

Utility rate structures impact total costs:

- CMP implemented significant transmission rate increases (37-54%) in January 2025
- Distribution revenue requirements increased 2.37%

# Why Campuses Experience Different Rate Increases

Variations in energy rate changes across the System reflect differences in utility service territories, energy sources, and when contracts were secured:

## Different Energy Sources

Campuses utilize different primary energy sources:

- UMaine and USM: Primarily electricity and natural gas
- Farmington and Fort Kent: Electricity and biomass
- Machias: Electricity and ULSHO (Ultra Low Sulfur Heating Oil)
- Presque Isle: Electricity and oil

## Utility Service Territories

Campuses are served by different utilities:

- Central Maine Power (CMP) territory
- Versant Bangor Hydro territory
- Versant Maine Public District territory

Each utility has different transmission and distribution rates and rate increase schedules.

## Procurement Timing

Energy contracts are secured at different times based on:

- Market conditions at time of procurement
- Different contract expiration dates
- Strategic decisions about when to lock in prices

# Net Energy Billing: A Key Cost Reduction Strategy

UMS participates in Maine's Net Energy Billing program, generating renewable energy credits that have saved \$8,276,510 across all campuses.



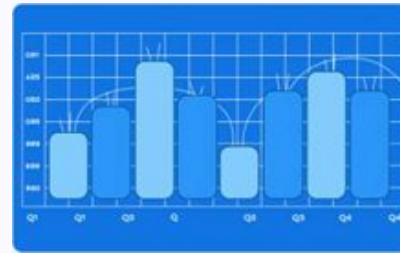
## Hydro Projects

Hydroelectric facilities in Damariscotta, York, Stillwater, and Medway generate renewable credits for UMS.



## Solar PV Projects

More than 20 solar installations from developers like MEI, AES, Nexamp, and SunVest enhance the system's renewable portfolio.



## Financial Benefits

The program has yielded \$8.2M in savings, plus \$1.5M in Renewable Energy Credits (RECs) revenue since 2021.



## Campus Implementation

CES aggregates campus demand and secures shares in NEB projects to maximize system benefits.

## Budget Impact and Financial Planning



### System-Wide Budget Trends

System-wide energy budget decreased from FY24 to FY25 by \$4.7M and remains stable for FY26. Total budget:

**FY24:** \$32,415,593

**FY25:** \$27,711,650

**FY26:** \$27,883,515



### Variable Campus Impacts

While some campuses show decreasing costs, others like Farmington (FY26: \$1,650,366) and Fort Kent (FY26: \$703,359) show increases, reflecting different energy sources and higher transmission & distribution costs.



### Budget Performance

Historical data shows actual energy costs typically come in below budget, demonstrating effective procurement and conservative budgeting practices.

# Energy Prices × Energy Usage = Energy Costs

While energy procurement strategies determine prices, total energy expenditures vary based on how, when, and why energy is used across campuses:



## Energy Infrastructure & Load Profile

Central plants vs. distributed systems (e.g., building-specific boilers or heat pumps)

24/7 Operations (labs, research, steam plants) vs limited-use facilities



## Campus Mission Differences

Research-intensive campuses have higher demand than commuter-focused institutions



## Usage

Winter heating loads and summer cooling drive large fluctuations in monthly usage and cost, especially at campuses with steam plants or electric heating. In addition, prices may vary between day and night usage.

# Future Considerations and Policy Impacts



# Powering campuses efficiently takes both strategy and stewardship.

- UMS uses a multi-faceted supply-side strategy to manage risk and control energy pricing across the System.
- NEB participation has saved over \$8.2M, with additional revenue from Renewable Energy Credits (RECs).
- Energy prices differ by campus due to utility territories, energy sources, and timing of procurement.
- Energy costs differ by campus due to infrastructure, campus mission, and usage.