

UNIVERSITY OF MAINE SYSTEM

Board of Trustees

Zoom Meeting

March 19, 2025

**Finance, Facilities & Technology Committee**

**Present: Committee Members:** Roger Katz; Chair; David MacMahon, Trish Riley, Emily Cain, and Owen McCarthy. **Other Trustees:** John Moore, Riley Worth. **Chancellor:** Dannel Malloy. **Presidents:** Leigh Sauflay, Joan Ferrini-Mundy, Deb Hedeon, Ray Rice, Jennifer Cushman, Joseph McDonnell, and Jacqueline Edmondson. **Faculty Representatives:** William Otto. **System Staff:** Ryan Low, Carolyn Dorsey, Sam Warren, Elizabeth Stickler, Jeff St. John, Katelynn Ronan, Gretchen Catlin, and Miriam White. **Other Participants:** Joe Szakas, Justin Swift, Adam Tuchinsky, Michelle Rogers, Gabriel Paquette, Jacob Jandreau, Meagan Arena, Jake Ward, Megan Walsh, Kelly Sparks, John Henry, Aili Robinson, Pam Ashby, Heidi Carter, Kody Varahramyan, Bettina Sawhill Espe, Megan Desjardins, Laurie Gardner and Nicole Vinal.

**Committee Members Absent:** Lisa Eames, Patrick Flood, Michael Michaud

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

**FY2026 Proposed Operating Budget – First Reading**

Vice Chancellor for Finance and Administration and Treasurer Ryan Low presented the first reading of the FY2026 Operating Budget. The unified budget timeline was reviewed. The FY2026 budget pressures include:

- Residence Hall Occupancy Rates
- Wage Pressures vs Revenue Increases
- State Appropriation
- Impact of Executive Orders

The FY2026 Systemwide budget assumptions used by all campuses include systemwide budget assumptions (*used by all campuses*) in-state, undergraduate tuition rate, appropriation, compensation & benefits, CPI, capital expenditures. Campus-specific budget assumptions are enrollment, out-of-state tuition rate, and financial aid.

The enrollment budgeting process focuses on realistic trends with increased remote learning including the expansion of YourPace to other campuses. FY26 budgeted credit hours are 1.1% below FY25 actual hours. Appropriation - Governor's FY26-FY27 proposed biennial budget includes a \$9.58 million (4.0%) base increase in FY26. Balanced Budget – Overall balanced budget that uses no system reserves. Budget has a transfer from campus reserves and will require some additional work at UMF.

The Budget Stabilization Fund was created to enable the UMS to smooth the financial impact of adverse markets, economic conditions, and address other financial challenges. The Fund was established in 2010 and has been built from net investment income that exceeded the budget pursuant to the Board of Trustees investment policy. The Treasurer will authorize only the transfer needed to offset a net unrestricted operating loss for each institution at the end of the fiscal year. The balance of the Budget Stabilization Fund as of June 30, 2024 was \$9,700,000.

The undergraduate FY2026 recommended in-state tuition rate increases are UMaine 2.9%, UMM 3.0%, UMA/UMFK/UMPI 3.1% and UMF/USM 3.3%. The undergraduate out-of-state tuition increases are UM 3.0%, UMM 2.9%, UMA 3.0%, UMF 4.0%, UMFK/UMPI 3.4% and USM 3.3%. The in-state and Canadian graduate tuition increases for UM 2.9%, UMA 3.1%, USM 3.5%, UMF 4.0% and new students at Maine Law are 6.1%. Graduate out-of-state tuition increases for UM are 3.0%, UMA 3.0%, UMF 4.0%; USM 3.2% and Maine Law 6.0. Room and Board FY2026 recommend rates range from 3.8% to 6.4%.

### **Campus Budget Presentations**

Each campus provided a comprehensive presentation on their FY2026 budgets.

### **Executive Session**

On a motion by Trustee Cain, which was seconded by Trustee Riley, 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-A to discuss the evaluation of personnel and the consideration and discussion of appointments, evaluations, employment and duties.

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

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/>

Adjournment.

Elizabeth Stickler, Clerk