

UNIVERSITY OF MAINE SYSTEM
Board of Trustees
Zoom Meeting

April 16, 2025

Finance, Facilities & Technology Committee

Present: Committee Members: Roger Katz (Chair), David MacMahon, Trish Riley, Emily Cain, Mike Michaud, Patrick Flood, Owen McCarthy, **Other Trustees:** John Moore, Riley Worth.

Chancellor: Dannel Malloy **Presidents:** Joan Ferrini-Mundy, Ray Rice, Joseph McDonnell, Deb Hedeon, Jenifer Cushman, Leigh Saufley, Jacqueline Edmondson
System Staff: Ryan Low, Carolyn Dorsey, Robert Placido, Amon Purinton, Sam Warren, Elizabeth Stickler, Gretchen Catlin, Jeff St. John, Tracy Elliott, Miriam White, Seth Goodall; **Faculty Representative:** Clyde Mitchell. **Other Participants:** Kelly Sparks, Aili Robinson, Betsy Sawhill-Espe, Jacob Jandreau, Pam Ashby, Justin Swift, Laurie Gardner, Nicole Vinal, Jenny Boyden, Darla Reynolds, Megan Desjardins, Jake Ward.

Committee Members Absent: Lisa Eames.

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

**RESERVES AND RESERVE POLICY / FY26 UNIVERSITY OF MAINE
SYSTEM BUDGET / ENROLLMENT DATA**

Vice Chancellor Low discussed 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

- The next traditional monthly FFT meeting is scheduled for two weeks from today.

- The upcoming meeting will cover the budget as the first agenda item, followed by other traditional agenda items.
- The past practice involves presenting the detailed budget to the committee on the 30th, anticipating a favorable vote. If approved, the budget would move to the full board meeting on May 19th in Presque Isle.
- There is flexibility in the budget schedule due to potential unusual circumstances in global or political contexts.

Vice Chancellor Low's data analysis revealed inaccuracies due to early college students skewing UMA statistics, with corrective actions promised, further dissecting full-time versus part-time enrollment and future analysis needs emphasized.

- VC Low presented a data analysis focused on student headcount of 26,154, segmented by full-time versus part-time enrollment, and in-person versus remote learning.
- A corrected version of the data will be provided due to the incorrect inclusion of early college students in UMA statistics, which affected overall system statistics.
- The updated numbers reveal 16,000 students taking classes in person and 6,500 online, with a distribution of 70% full-time and 30% part-time.
- VC Low expressed the intention to further analyze trends over the years and compare data annually, noting the importance of accurate data fitting into defined categories.
- Housing data shows a distribution of 25% on-campus housing, with some campuses like Presque Isle experiencing changes due to increased remote learning impacting housing percentages.
- VC Low used the AI model Claude for the analysis, which correctly identified each institution's profile based on data, confirming insights about enrollment and institutional categorization.
- Roger Katz emphasized the importance of this data for future planning related to deferred maintenance, demolition, and real estate disposal, reflecting on the trends in physical space needs.

The subsequent dialogue introduced the concept of reserves, distinguishing between budget-specific reserves and accounting definitions, while encouraging deeper exploration of these differentiated types depending on stakeholder interest in strategic budgeting and investments for each campus.

MAINE CENTER DISCUSSION

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

The Maine Center's discussions emphasized a \$55 million allocation from Alford Foundation funds for programmatic and spatial improvements, underpinned by ongoing fundraising efforts and future proofing considerations beyond fiscal 2034.

- Discussion centered around the Maine Center's budget support, which has evolved over multiple cycles. An initial annual \$400,000 allocation for CEO services has been consolidated with operational expenses from Portland buildings under the Maine Center, totaling \$2 million in investments.
- Presentation indicated that planning for future liabilities and funding strategies is underway, especially in a post-Alphonse return world.
- Update provided on the Harold Alphonse Foundation's funding related to the Maine Center, which has increased from \$240 million to \$320 million, with expectations to raise matching funds towards a \$500 million goal, including state, federal, and philanthropic contributions.
- \$55 million of Alphonse funds were allocated: \$15 million for programmatic increases and \$40 million for capital and space improvements at the Maine Center, impacting operations and academic aspects including law school, MBA program, and engineering possibilities.
- Discussion on buildings involved in the Maine Center, such as 304th Street and Custom House. Renovation and ownership plans include securing rights to own the buildings and land, supported by Alphonse funds.
- Positions for faculty within Maine Center were discussed: two positions in business, public policy, and law, funded by Alphonse dollars for three years, with universities assuming funding after. Positions to transition by 2028.
- Discussion on building renovations, which are phased due to economic factors like tariffs. Phase one funding from Senator Collins led efforts secured \$2.4 million, along with \$6 million from state capital improvement funds.
- Philanthropy was highlighted as increasingly significant, with approximately \$9 million more needed for building costs; fundraising strategies include leveraging Maine Foundations' collaboration.
- Uncertainties exist around future funding sources for ongoing renovations beyond previously approved \$8.5 million, potentially relying on private fundraising.
- Maine Center positions and programming aspects funded by the Alphonse grant phase out in fiscal 2034; decisions needed on continuation and funding strategies with future considerations starting in 2030.
- The project is characterized by its complexity and phased nature; Board of Trustees engagement is essential for updates and decision-making regarding future phases and budgets.

ENERGY PROCUREMENT OVERVIEW

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

The University of Maine System's strategic energy procurement embraces price stability against market trends, utilizing state policy and consortium participation, with significant savings reported in recent fiscal periods.

- Presentation highlighted the University of Maine System's comprehensive approach to energy procurement, balancing cost stability against market opportunities to mitigate price volatility.
- In 2019, UMS leveraged state policy LD 1711 and joined a multi-institutional consortium managed by CES, enabling favorable pricing and risk mitigation without traditional contract reliance.
- University employs ratchet strategy to dynamically manage electricity procurement and hedge strategy for fixed pricing over time.
- UMaine locked in 50% of open positions in December 2024 as markets rose, illustrating ratchet strategy effectiveness.
- Factors affecting energy costs include natural gas market, electricity trends, and transmission rate changes.
- Net Energy Billing Program saved UMS over \$8.2 million and \$1.5 million in renewable energy credits since 2021.
- UMF's ESCO project improved energy efficiency, net asset value by 2%, and reduced annual utility expenses by 42%.
- UMS monitors policy impacts and market developments with CES support, maintaining a multifaceted procurement strategy.
- David MacMahon recognized the magnitude of savings with almost \$5 million saved from fiscal 2024 to fiscal 2025.
- Partnerships, not directly with the state but benefiting from legislative action, help aggregate savings through many institutions.

EXECUTIVE SESSION

On a motion by Trustee Michaud, which was seconded by Trustee Cain, 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 Michaud, 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/>

Finance, Facilities and Technology Committee
April 16, 2025

Adjournment.

Elizabeth Stickler, Clerk