UNIVERSITY OF MAINE SYSTEM
Board of Trustees
April 15, 2026
Finance, Facilities & Technology Committee
Meeting via Zoom

Present: Committee Members: Roger Katz, Chair; Trish Riley, Patrick Flood, Michael Michaud, David MacMahon, Barbara Alexander, Emily Cain & Heather Johnson. **Chancellor:** Dannel Malloy. **Presidents:** Joan Ferrini-Mundy, Joseph McDonnell, Leigh Saufley, Jenifer Cushman, Ray Rice, Deb Hedeen & Jacqueline Edmondson. **System Staff:** Ryan Low, Caroyln Dorsey, Jeffrey St. John, Amon Purinton, Sam Warren, Darla Reynolds, Miriam White, Robert Placido & Elizabeth Stickler. **Faculty Representative:** Clyde Mitchell. **Other Participants:** Jeff Mills, President, Corey Hascall, Megan Walsh, Monique Hashey, Jenny Boyden, Laurie Gardner, Nicole Vinal, Jacob Jandreau, Justin Swift, Aili Robinson, Megan Desjardir,

Chair Katz called the Finance, Facilities & Technology Committee meeting to order. The Clerk performed a roll call of Committee members present.

FY2025 Philanthropy Overview

Chair Katz introduced the FY2025 philanthropy overview and welcomed Jeff Mills, President and CEO of the University of Maine Foundation, and Corey Hascall, President and CEO of the University of Southern Maine Foundation. Chair Katz thanked Mr. Mills for his service and congratulated him on his upcoming retirement.

Ms. Hascall provided an update on the University of Southern Maine Foundation. She noted that the USM Foundation is an independent 501(c)(3) nonprofit organization and described its recent fundraising momentum. She reported that the Crewe Center for the Arts opened in October and described the event as a major milestone for USM, supported by trustees, system leadership, donors, alumni, and community partners.

Ms. Hascall reported that the USM Foundation raised $10.5 million in FY2025 and, as of the close of the third quarter of FY2026, had already raised approximately $12 million. She discussed continued work to complete fundraising for capital projects, including the Crewe Center for the Arts, the Collab eSports Arena, and the Steinway piano initiative. She stated that the Foundation had raised more than $2 million for the Steinway project in less than a year, with less than $800,000 remaining.

Ms. Hascall also discussed campaign readiness work, including completion of existing capital projects, alignment with President Edmondson's vision and future campaign priorities, growth of the USM endowment, cultivation of new seven- and eight-figure prospects, expansion of volunteer and future campaign leadership, and continued investment in the Foundation team. She stated that the USM Foundation's endowment was approximately $62 million and that the Foundation's goal is to reach $100 million by 2034.

Mr. Mills provided an update on the University of Maine Foundation. He described the Foundation's history, noting that it was established in 1934 and operates as an independent 501(c)(3) organization supporting a public university. He explained that private foundations provide flexibility for certain types of gifts, donor confidentiality, financing support, and other activities that may be more difficult for a public entity.

Mr. Mills reported record fundraising and endowment performance, noting substantial growth in giving and investment returns over recent years. He discussed the Foundation's investment governance structure, including work with Prime Buchholz, the Foundation's investment committee, and regular reporting to the Foundation board and public transparency through quarterly website postings. He emphasized that both fundraising and investment stewardship are central to the Foundation's performance.

Mr. Mills also discussed increased collaboration among University of Maine System-related foundations, including the University of Maine Foundation, USM Foundation, and Law School Foundation, particularly through systemwide initiatives and grant-funded work.

Trustees and participants discussed the Foundations' investment performance, peer comparisons, Steinway fundraising, capital project fundraising, and the impact of recent philanthropic activity. President Ferrini-Mundy publicly thanked Mr. Mills for his leadership and collaboration with the University of Maine. Trustee Flood asked about the remaining Steinway fundraising gap, and Ms. Hascall and President Edmondson discussed confidence in closing the remaining need and the value of donors naming individual pianos for students' long-term benefit.

Vice Chancellor Low provided context for why the philanthropy overview now includes foundation updates in addition to the annual gifts, fundraising, and endowment report. He stated that future annual reporting is expected to include the Law School Foundation following the Board's approval of the Law School capital campaign.

FY2025 Annual Report on Gifts, Fundraising and Endowments

Darla Reynolds, Director of Accounting, presented the FY2025 Annual Report on Gifts, Fundraising and Endowments. She summarized FY2025 as reflecting solid philanthropic performance, strong endowment growth, and continued donor confidence, with giving concentrated in student support, facilities, and other strategic priorities across the System.

Ms. Reynolds reported that University of Maine System gifts totaled approximately $37 million in FY2025, down from approximately $45 million in the prior year, largely because FY2024 included an unusually large number of restricted gifts related to construction at USM, specifically the Crewe Center for the Arts. She noted that 99% of FY2025 gifts were donor restricted, and that student aid and facilities were leading areas of donor support.

Ms. Reynolds reported that, as of June 30, 2025, total UMS gift-related balances reached approximately $262 million, up approximately $20 million from the prior year, with growth related to endowment and gift balances. She also summarized gifts and outstanding balances related to affiliated fundraising organizations, noting that total gifts received by those organizations increased by approximately $6 million, or 10%, from the prior year, primarily at the University of Maine Foundation and the University of Southern Maine Foundation. She stated that those same two foundations accounted for approximately $83 million in growth in endowment market values.

Trustees discussed efforts to review and update restricted gift terms where gift purposes may no longer align with current student or program needs. Ms. Reynolds described work with foundations, donors, and, where necessary, the State of Maine to update language so universities can better use gift balances consistent with donor intent.

FY2027 University of Maine System Budget - Detailed Overview

Vice Chancellor Low presented a detailed overview of the FY2027 University of Maine System budget. He explained that the meeting served as a budget work session following the March budget presentations and ahead of the April 29 FFT meeting, when the Committee would be asked to approve the FY2027 budget and forward it to the full Board. No action was requested at this meeting.

Vice Chancellor Low stated that the presentation was organized around questions raised by Trustees during the March budget process and covered reserves, shared services and governance, state appropriation, and credit hour and enrollment profiles.

Vice Chancellor Low reviewed the System's reserves, including the budget stabilization fund and unified operating reserve. He described the budget stabilization fund as a rainy-day reserve intended for genuine fiscal challenges, such as revenue shortfalls or major campus financial disruptions, rather than routine strategic investments. He noted that the budget stabilization fund had been restored to approximately $17 million, the highest level since 2021, following year-end balances and transfers approved as part of prior investment planning. He also stated that the operating reserve was approximately $12.6 million, with minor commitments against it.

Vice Chancellor Low described shared services, university services allocated and unallocated, and governance. He explained that shared services include functions such as information technology, human resources, finance, facilities, legal, and related systemwide support. He also described a change made for transparency: campus finance teams, including CBO offices, were moved back to campus budgets along with the related appropriation, producing a net-neutral shift but a clearer view of where costs are incurred.

Vice Chancellor Low reviewed the allocation methodology for shared services, noting that the metrics vary by service area. For example, human resources costs are allocated based on employee headcount, facilities based on square footage, student services based on FTE, and finance based on operating expenses.

He reviewed the university services allocated budget and explained that the shared services chargeback was approximately $52 million. He discussed cost changes, including the effect of moving campus CBO and related costs back to campus budgets, salary increases, travel changes, and the decision not to build a software reduction target into the FY2027 base budget after a prior-year initiative did not fully materialize. He stated that opportunities for software savings remain under review.

Vice Chancellor Low then reviewed governance costs, noting that governance is funded through state appropriation and includes the Chancellor, Vice Chancellors, and leadership support. He stated that governance staffing had remained relatively steady over recent years and that the FY2027 increase was driven largely by across-the-board pay increases and the absence of one-time savings used in the prior year.

He also reviewed university services unallocated, including systemwide strategic initiatives, legislative appropriations, early college, adult degree completion, interpersonal violence prevention, institutional research, systemwide marketing, Maine Center operations, capital planning, the strategic investment fund, demolition funding, and capital investments related primarily to IT and depreciation.

Vice Chancellor Low reviewed the FY2027 state appropriation. He noted that the System was starting with a $12 million increase and expressed appreciation for the support of the Governor, Legislature, and state government. He explained that certain amounts come off the top, including paid family medical leave, governance, legislative-purpose appropriations, and the 30% set-aside for strategic initiatives, leaving approximately $6.1 million for distribution to campuses.

Vice Chancellor Low explained that the System had previously used a funding formula designed to bring campuses to a baseline level of support but had moved away from that model after it had achieved its intended purpose. He described FY2027 as a transition year while the System considers what a future allocation model may look like.

Vice Chancellor Low also responded to a prior Trustee question about whether state appropriation had kept pace with CPI, noting that the System had lost ground over time relative to inflation, even while remaining grateful for recent appropriation support.

Vice Chancellor Low reviewed enrollment projection methodology and credit hour profiles by institution. He explained that enrollment projections are based on historical trends and student behavior by credit-hour bands, with campuses able to provide specific adjustments where new programs or other circumstances affect projections. He noted that the current method has helped the System avoid fall census budget adjustments for two consecutive years.

Vice Chancellor Low then reviewed institution-level slides showing headcount, in-person and online categorization, housing status, full-time and part-time status, instructional mode, and recent trends. He explained that, for the purpose of the slides, a student was categorized as in-person if taking at least one in-person course, and exclusively online otherwise.

Trustees discussed whether additional views of online and in-person activity by credit hours would be useful, whether housing should be shown as a percentage of in-person students rather than total students, and whether additional governance and legal cost information should be provided. Vice Chancellor Low, Miriam White, and Vice Chancellor St. John discussed the data structure and agreed to follow up with additional information where feasible.

Trustee Alexander asked about how the System would respond if FY2027 budget assumptions, including enrollment, state appropriation, or labor costs, did not materialize as projected. Vice Chancellor Low explained that the System tracks enrollment and budget performance throughout the year and has a formal October process for budget revisions. He stated that the first response would generally be for campuses to address gaps through their own budgets and reserves, with System reserve support considered only in unusual circumstances and subject to Board approval.

Trustee Johnson asked whether shared services costs are charged differently based on modality or program delivery costs. Vice Chancellor Low responded that shared services allocations use the established allocation metrics, and that differences in campus-level delivery costs would be reflected in campus budgets rather than the system shared services allocation.

Executive Session

At the conclusion of the public session, Vice Chancellor Low stated that there was one item requiring an executive session update.

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

- 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 Flood, which was seconded by Trustee Cain, and approved by a roll call vote of the Trustees present, the Finance, Facilities & Technology Committee concluded Executive Session.

Adjournment

Chair Katz stated that the Committee would adjourn following 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/

Kayla Flewelling for

Elizabeth Stickler, Clerk