

Trustees -

As March dawns and I think about how to adequately summarize the last week, the word "consequential" comes to mind.

Let me start briefly with the issue that was dominating national news by week's end: coronavirus preparations. As my Chief of Staff and our General Counsel Jim Thelen reported to you on my behalf Thursday afternoon, we have prudently intensified planning and a series of response preparations that were already underway over the last month. While our hope remains that there will be no disruption to our academic operations, we have a responsibility to have action plans ready to implement -- continuity of instruction plans, as we are calling them -- to minimize disruption to our students and preserve the public health and safety of our campus communities should we or public health officials determine that targeted quarantines, campus closures, or other pandemic responses become necessary in the coming weeks or months. Already we have restricted international travel in line with state and national recommendations, and are assisting university community members in those locations with alternate plans.

A key part of our preparedness is regular communication and transparency. In addition to our UMS homepage health advisory link (<https://www.maine.edu/health-advisory/>), where we will continue to add relevant information for our university communities and the public, tomorrow we will be publicly releasing this list of six initial [UMS Action Steps for Coronavirus Preparations](#). Our core System emergency planning staff -- Ryan Low, David Demers, Robert Placido, Dan Demeritt, and Jim Thelen -- will be conferring every morning for the foreseeable future to ensure we are always ready to adjust our planning and response to the most up-to-date public health information, which is confirmed daily with the Maine CDC and Maine Emergency Management Agency.

As of week's end, there was still no evidence of any coronavirus cases in Maine, but we intend to be ready if that changes.

On Monday, thanks to tremendous background work and preparation from Sam Warren and Ryan Low, I testified before the Legislature's joint Appropriations and Education committees in support of the Governor's proposed supplemental appropriations for UMS and the Law School. Our presentation in the public hearing is largely scripted, but not without questions from legislators, some of which make clear there still is not universal understanding of the public value of investing in our growth. That's not to say there isn't strong support for our universities, and I was grateful too for the community members who stepped forward to offer their own public support, among them State Senator Heather Sanborn, a Maine Law alum, Hunter Chesley, our UMA Student Representative, McKayla Marois, from UMF, and Jim McClymer, a UMaine physics professor who often addresses you from his perspective as AFUM President during public comment at your regular meetings. I'll be back at the State House tomorrow for the committee's work session on the appropriations and hope for strong committee support. Friday's strong revenue forecast news surely helps our case (<https://www.wabi.tv/content/news/Maines-financial-forecast-improves-by-139M-568353491.html>).

Throughout the week I had significant engagement with USM and UMaine and their communities. Tuesday morning UMaine President Joan Ferrini-Mundy, along with her Vice President of Research Kody Varahramyan and Vice President for Innovation and Economic Development Jake Ward and their research staffs, hosted my senior team and I for a 90-minute overview of UMaine's research enterprise and drive to (and significance of) "R1" Carnegie research classification (which you'll hear more about in two weeks at your March Board meeting). Thursday, at President Ferrini-Mundy's invitation, I joined UMaine's Board of Visitors for dinner in Portland, and remained there for several meetings Friday with USM's faculty, staff, BOV, and students, part of my commitment to directly engage with our campus communities several times throughout the semester. As we look to UMS's future, it is critically important that both of these institutions not only remain stable, but also seek new investment and grow their collaborative academic and research work, including through the significant new opportunities that will arise with unified accreditation.

With my appearance at the State House last Monday, I was unable to attend Board ASA and HR committee meetings that day, but I did attend Wednesday's FFT committee meeting. As Trustees who attended will remember, we observed there the significance of the committee's actions, approving more than \$100 million of projects to go forward, including UMaine's new Ferland Engineering Education and Design Center, which will significantly increase our capacity to graduate the engineers needed to advance Maine's economy and infrastructure. We will appropriately acknowledge this and other projects at your Board meeting as well, removing them from the traditional consent agenda to give them appropriate individual attention.

Following the FFT meeting, FFT Chair Mark Gardner and Chair Jim Erwin and I, along with my senior team, heard UMF's initial budget presentation, the last of our campuses to sit with us for this first-round budget development discussion. You know by now that I don't sugar-coat anything. The Farmington budget situation is serious, with the campus at present without resources to close an expected \$1.2M operating gap -- and that's with an already-pledged \$500,000 in System budget stabilization funds, and follows several years of operating gaps. That's not to say I don't have confidence in UMF President Edward Serna as he works with his campus leaders to develop a plan to return to stability. I appreciate, as he does, that the financial actions necessary to do so must be undertaken thoughtfully, in alignment with a review of UMF's academic portfolio, which President Serna and his team will complete before semester's end. We will be closely monitoring the situation, and will be asking you as a Board to require any campus that relies on budget stabilization funds to also present a detailed plan for returning to stability.

To that end, as I first reported to you last week, at my request Ryan Low and his staff prepared a comprehensive series of financial and data reports for UMS and its universities. We provided the data and reports to our Presidents on Friday afternoon, and I'm attaching them here for you now. These reports are significant, and will be the backbone of our work to shore up our financial stability in the coming years as we face head-on the dual challenge of declining demographics and increasing State need for more nurses, engineers, teachers, and other

graduates necessary to meet Maine's workforce needs. I should make clear that we have consciously removed Early College enrollment and credit hours from these reports, as those data represent an extra income stream that, not analyzed critically, can mask negative financial trends in our regular academic operations. Among other data points on which we're focusing, I'm struck by our five- and ten-year trend of spending ever-increasing amounts of institutional aid (up 46.4 and 123 percent, respectively, over five and ten years) on a dwindling population of students (down 6.4 and 18.4 percent, respectively, over the same time). As we continue our analysis, I'll be providing further reports and recommendations on what we might do to respond over the next three to five years.

As I noted, it was a consequential week. Our focus is sharpening, and our work continues.

Regards,  
Dan