

Week of March 8

Trustees,

Let me start this weekend's report with the most basic but important of our responsibilities -- managing our budgets. With significant actions at both the state and federal level this week, there's much to consider, summarized as follows.

At the federal level, we're finalizing plans on how our universities will use and distribute COVID relief funds allocated to higher education institutions and their students from the late December 2020 COVID legislation passed by Congress and signed later by then-President Trump. We'll be required to distribute relief funds to our students in at least the same amounts as we did from last spring's federal CARES Act, but with more flexibility on what those funds may be used for. Our universities submitted plans this week outlining their proposals to distribute those funds, and we're currently reviewing those, even as we still wait for further guidance from the U.S. Department of Education on key aspects of the \$22.3 million in institutional dollars our universities collectively received.

The American Rescue Plan passed in Congress over the last week and signed by President Biden on Thursday includes an additional \$40 billion for higher education institutions and their students. Our universities are slated to receive an estimated \$55 million in total, at least half of which much go to our students. As with the December 2020 COVID relief legislation, we'll have some flexibility in the use of these funds, likely to include covering lost revenue on the institutional side and direct application to student charges and accounts on the student side. The expected one-time fund allocations from the American Rescue Plan to our universities is shown here:

University of Maine (including UMM): \$22.5 million
University of Maine at Augusta: \$6 million
University of Maine at Farmington: \$6 million
University of Maine at Fort Kent: \$2.5 million
University of Maine at Presque Isle: \$2.4 million
University of Southern Maine: \$15.5 million (including Maine Law)

Here in Maine this week, the supplemental budget compromise reached and passed in the Legislature on Friday included an additional \$2.5 million appropriation for the Maine Department of Education for reimbursement to UMS and the Maine Community College System for Early College courses we are administering this spring. With record enrollment in UMS early college during the pandemic -- more than 2,000 Maine students representing 133 Maine high schools are enrolled in UMS early college courses this spring -- the budgeted funds appropriated were exhausted in just the first six months of the year. The additional investment only covers costs already incurred but will more than pay off for the student beneficiaries: while UMS early college benefits all learners, it improves outcomes most for those who are traditionally underserved,

with rural students who come to our universities with early college credits being 25 percent more likely to graduate on-time.

Lastly, with the Governor's FY22-23 biennial state budget working its way through the Legislature now, you'll recall my report from a few weeks ago that I testified on February 23 before a joint meeting of the standing committees on Appropriations and Financial Affairs and Education and Cultural Affairs in support of Governor Mills's proposals to keep our primary E&G, MEIF, debt service, and other budget lines flat at pre-pandemic levels. When the Education and Cultural Affairs Committee met Friday to make its own recommendations on the FY22-23 biennial budget, it voted 11-1 to add 3 percent to the base UMS E&G appropriation in each year.

All of this is good budgetary news, but requires a sober realism in our work too. The federal COVID relief dollars are sorely needed to begin to cover COVID expenses and lost revenues that decimated our budgets in the last quarter of FY20 and through FY21, but their one-time nature means we cannot rely on them to balance our operations going forward. The supplemental appropriation for Early College reimburses costs already incurred, and for UMS at essentially half the cost of our regular tuition rates. Of all the new money passed or proposed this week, the Education and Cultural Affairs Committee's proposed 3 percent addition to our base E&G appropriation for FY22-23 is the most significant, as it would be an ongoing addition to our base operational funding. It's far from clear at this early stage of the state's budget development, however, whether the extra operational funds will be in the state budget finally passed.

Thus, prudence and restraint are still required, in our budget planning, in our developing collective bargaining strategies, and most importantly, in our operations and long-range planning, not least because the pandemic -- the primary cause of so much of our extraordinary costs and challenges -- remains with us even as we see light ahead. I'll continue to report to you each week as there are developments in each of these areas.

Before I turn away from legislative matters, I want to note that University of Maine Assistant Professor of Anthropology and former UMS Trustee Bonnie Newsom testified this week before the Education and Cultural Affairs committee in support of LD 453, titled as *An Act to Establish a Permanent Appointment of a Member of the Wabanaki Tribes to the Board of Trustees of the University of Maine System*. Former Trustee and Professor Newsom is a citizen of the Penobscot Nation and the second Wabanaki person to serve on our board (from 2011-2016); in 2007, Passamaquoddy elder and scholar Wayne Newell became the first. As Professor Newsom told committee members, her experiences as a Wabanaki woman informed her perspective on many issues before the Board, including, for example, how our UMS universities in Machias and Presque Isle serve Wabanaki communities and provide access to higher education to empower Wabanaki citizens to confront the unique social, political and economic challenges Indigenous peoples face in the United States. Having Wabanaki representation on our Board sends a powerful message to our indigenous students, faculty, and staff that their voices are valued and that they can and should aspire to leadership positions that have the

potential to effect positive change for all of our communities. And it's an important first step toward proactively and intentionally enhancing the diversity of our Board to better reflect the very real commitment we've made to diversity, equity, and inclusion throughout our university communities.

While my weekend messages are generally a reflection of the past week, I'd like to close today both by looking slightly ahead and also back.

Tomorrow, UMaine President Joan Ferrini-Mundy will present a UMaine-produced time capsule in the shape of the Dirigo star on the State's seal to the Maine Bicentennial Commission, which is chaired by Maine Senator and dual USM/UMaine alum Bill Diamond. Students and staff at UMaine's Advanced Structures and Composites Center designed and "3D"-printed the capsule, which is a three-dimensional 3-foot wide beveled gold star that will be mounted atop a cabinet made by Millinocket-based Maine Heritage Timber using wood reclaimed from the Penobscot River. Once sealed later this year with items inside selected by the Bicentennial Commission, the capsule will be housed in public view at the Maine State Library, putting UMaine research and innovation on display in the State Capitol for the next century. I invite you to watch a live-stream of [the event](#) on the [Maine200 Facebook page](#) at 1:00 p.m. (and many thanks for our own Samantha Warren for representing UMS on the Bicentennial Commission and coordinating the capsule project and donation).

Finally, you've likely noted the various news this week observing a one-year anniversary of sorts of the recognized beginning of the pandemic in the United States. I think it's important that we do the same -- that we pause and reflect at least briefly on the past year. It was one year ago Thursday that I [announced](#) to our university communities that we were sending our students home from their Spring Break, shuttering the residence halls, and transitioning all learning to remote modalities (and eventually all work that could be done so as well). We showed leadership in doing so, as not a single case had been reported as of then in Maine, though it was clear COVID was coming and that our students would almost certainly bring it back to Maine if they returned to our campuses and communities following spring break.

While our future then was anything but certain, we kept leading. We launched a partnership with the Maine Emergency Management Agency to serve the state through the public emergency. We maintained our enrollments and retention, and, for our faculty and staff, our employment. We brought together Maine's entire higher education community to present the state with a fall return plan, and then went on to come back together this past fall as safely as was done anywhere in the nation, offering our students a hybrid learning experience that kept them connected to our universities and on course to their degrees. With patience, resilience, and discipline, we masked, socially distanced, hand-washed, tested, contact-traced, quarantined and isolated, and kept on teaching and learning, researching, and serving. It's fortuitous, of course, but nevertheless significant that we crossed over 100,000 COVID tests by the end of this week -- with just 331 positive tests as of late Friday, an astoundingly low positivity rate of roughly 0.33 percent.

We can humbly say we've kept our university communities, and those Maine communities in which they are situated, among the very safest places in the country through a pandemic that has cost more American lives in just one year than the first and second world wars and Vietnam combined. Amidst this shocking toll we grieve as a nation, we should feel blessed that not a single member of our communities has been lost.

We've been fortunate beyond measure, and through the planning and hard work of literally thousands across our System, we've been successful beyond expectation. I couldn't be prouder to be leading the effort.

Best wishes for your week ahead.

Regards,
Dan