



**Testimony of the University of Maine System  
In Opposition to LD 2231, *Resolve, to Promote Access to Education and Workforce Development by Transferring Ownership of the Hutchinson Center Property in Belfast to the City of Belfast*, Presented by UMS Director of Government Relations Samantha Warren  
March 6, 2024**

Senator Rafferty, Representative Brennan and distinguished members of the Joint Standing Committee on Education & Cultural Affairs: My name is Samantha Warren and I am the Director of Government & Community Relations for the University of Maine System (UMS) and a proud alumna of the University of Maine at Farmington (UMF) and the University of Maine (UMaine).

UMS opposes legislative interference in an active competitive bidding process. Our underfunded public system cannot simply give away an asset appraised at \$2.52 million and for which we have outstanding debt. While we do not support this bill, we strongly share its supporters' commitment to a vibrant future for the Hutchinson Center. But first, some history.

In 2000, MBNA opened the Hutchinson Center and partnered with UMaine to deliver local education and professional development to its growing workforce in the midcoast. When it was acquired by Bank of America in 2005, MBNA had 2,000 employees based in Belfast and the Hutchinson Center served more than 16,000 learners annually in-person, including 1,400 students enrolled in UMaine degree programs.

In 2007, Bank of America generously **transferred ownership of the Hutchinson Center to UMS as a gift with no conditions**. That same year, UMaine embarked on a major expansion of the building, which was completed in 2009, bringing the total footprint to 32,477-square-feet. The university is grateful for the community's contributions toward that construction, which supported one-quarter of the total project cost despite initial pledges for twice that amount.

Ultimately, UMaine financed \$3.14 million of the expansion, including through **a revenue bond on which the System presently owes \$885,000**. Above and beyond costs associated with that project, since 2006 the university has spent \$8.29 million on Hutchinson Center building maintenance and \$2.9 million on renovations, **for a total capital investment of \$14.3 million**.

Unfortunately, Bank of America significantly reduced its Belfast-based workforce in 2015 and subsequent tenants in the former MBNA complex have not sustained a significant in-person workforce. There has been a continuous decline in enrollment at the Hutchinson Center since and in 2019, there were only about 300 students taking academic and professional development courses in-person there each year.

Then came the pandemic, which catalyzed investments in connectivity and Mainers' expectations that historically in-person services from higher education to healthcare be available to them online and on-demand. **Since 2020, there have been no degree-seeking students served at the Hutchinson Center** and usage of the conference facilities never rebounded. This was not for the university's lack of trying.

For example, in 2021 UMaine partnered with its regional campus in Machias to deliver associate degree and certificate programs at the Hutchinson Center in fields relevant to the workforce

needs of the region. No students enrolled. In contrast, distance education programs offered through the Hutchinson Center were popular. That same year, nearly 600 people participated in professional development programs offered online through the Hutchinson Center.

Faced with a nearly empty building, new modalities preferred by learners for accessing their education, and serious budget challenges driven by enrollment declines and insufficient public investment, after two years of careful consideration, last June the university made the difficult but responsible decision to close the Hutchinson Center. In gathering background leading up to that and in the months that followed, UMaine engaged stakeholders in Waldo County, who told us how important it was to them that the Hutchinson Center remain a resource to the community.

The university listened.

Per long-standing System policy, UMS can divest buildings and land by selling to the highest bidder through a real estate broker or by conducting a competitive public solicitation process that allows all good faith proposals to be considered in a fair and transparent manner.

UMaine had initially intended to list the Hutchinson Center with a commercial broker; however, because of the community's feedback, instead **issued a formal request for proposals (RFP) in January that was unique in not only seeking purchase or lease offers but also creative alternatives. In that RFP, the university also made clear we would not necessarily be bound to accept the highest offer.** When some stakeholders publicly expressed concern after the release of the RFP that they would not have enough time to develop their proposal, the university extended the deadline by nearly two months.

As you consider this legislation, you should know that multiple proposals have already been submitted to the System and that the solicitation has been publicly noticed as being open through March 29. **Intercession by the Legislature in this process would be unprecedented, and undermine well-established competitive bidding policy and practice in the public sector that is essential to upholding the public's trust and stewarding taxpayer and tuition dollars with integrity.**

While the Hutchinson Center is unique, the changes and challenges that have led the university to seek another entity to assume responsibility for the facility moving forward are not.

**Our System is burdened by a deferred maintenance backlog that now exceeds \$1.6 billion. More than half of our facilities and three-quarters of our residence halls have not been meaningfully renovated in more than 50 years.** Today, our Board of Trustees' Finance, Facilities and Technology Committee, chaired by the Hon. Roger Katz, received a presentation from independent higher education capital planning and management firm Gordian (also used by the State of Maine, the Maine Community College System and Maine Maritime Academy). Their annual state of UMS facilities report notes that while overall enrollment in Maine's public universities had declined by 14% since FY16, enrollment of FTEs attending in-person has actually dropped by 48% during the same period.

As a result, the so-called "density rate" of university buildings as determined by the number of users in relation to the System's square footage is down 40% from a decade ago, and is nearly two-thirds below the national average for public higher education. Per the Gordian report: **"To reverse the aging process and begin to decrease deferred maintenance within the**

**System inventory, significant space reductions will need to occur.** Removing space from the inventory will improve building usage at each campus."

Consistent with this, the System's new strategic plan — the first in nearly 20 years — calls for a careful assessment of underused facilities and appropriate action. **We are making progress and the buildings and land being divested by the university are being repurposed for the public's benefit.**

The result is **cost savings necessary for our System to maintain affordability for our students, create new opportunities for local communities and importantly, to invest our limited resources in the infrastructure essential to recruiting and retaining students and delivering on our mission for Maine.** For example, the System's sale of its interest in a downtown Bangor building made way for Wabanaki Public Health and Wellness offices and a cultural center. And 50 units of affordable senior housing will soon be constructed on four acres in Bangor being sold by the University of Maine at Augusta to the local housing authority. University buildings in Portland are currently being listed for sale by a broker and through a competitive RFP in Houlton and Presque Isle. In some cases, these transfers will return valuable property to local tax rolls, generating needed revenue for Maine municipalities.

As we work to right-size our footprint for the future, we are **more committed than ever before to advancing innovative, cost-effective approaches that ensure relevant UMS education and resources are accessible to all Mainers.** This includes in Waldo County. Well beyond online education, UMS provides free early college at high schools in Belfast, Isleboro, Searsport, Thorndike and Unity; access to STEAM education and leadership development for hundreds of local youth each year through the UMaine Cooperative Extension Tanglewood 4-H Camp and Learning Center in Lincolnville; and has workforce development, research and innovation partnerships with many area employers including Front Street Shipyard and Robbins Lumber. Notably, **the percentage of degree-seeking UMS in-state students who are from Waldo County has been consistent over the past five years,** despite the decline in enrollment at, and eventual closure of, the Hutchinson Center. In short, though the access has changed, the access continues and we could argue, is strengthened and made more affordable and accessible.

We are proud of the responsive educational and enrichment offerings UMaine was uniquely able to provide to the midcoast through the Hutchinson Center for more than two decades. The region has changed and so too have the opportunities to leverage this tremendous asset to best meet the current and future needs of Waldo County. **The competitive process underway ensures the best ideas for Belfast can come forward so the best interests of both the community and our public universities will be advanced.**

Thank you and I welcome your questions.