

UNIVERSITY OF MAINE SYSTEM
Board of Trustees
Zoom Meeting

May 8, 2024

Finance, Facilities & Technology Committee

Present: Committee Members: Roger Katz (Chair), David MacMahon, Pat Flood, Trish Riley, Emily Cain, Mike Michaud - Other Trustees: Owen McCarthy
- Chancellor: Dannel Malloy - Presidents: Leigh Saufley, Joan Ferrini-Mundy, Deb Hedeem, Ray Rice, Jennifer Cushman, Joseph McDonnell, Jacqueline Edmondson - Faculty Representatives: Clyde Mitchell, William Otto - System Staff: Ryan Low, Sam Warren, Paul Chan, Gretchen Catlin, Jeff St. John, Miriam White, Kayla Flewelling, Tracy Elliott, Darla Reynolds
- Other Participants: Kelly Sparks, Buster Neel, Aili Robinson, Betsy Sawhill-Espe, Megan Desjardins, Pam Ashby, Laurie Gardner, Justin Swift, Brenda McAleer, Nate Harris, John Forker, Tiffany Maiuri

Committee Members Absent: Lisa Eames

Chair Roger Katz called the meeting to order. The Clerk conducted a roll call of the Committee members present.

Executive Session

On a motion by Trustee Cain, which was seconded by Trustee Michaud, and approved by a roll call vote of all Trustees present, the Finance, Facilities & Technology Committee went into executive session under

- 1 MRSA Section 405 6-A to discuss the evaluation of personnel and the consideration and discussion of appointments, evaluations, employment and duties.
- 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.

FY2025 UPDATED PROPOSED UNIVERSITY OF MAINE SYSTEM OPERATING BUDGET AND STUDENT CHARGES

Presenter: Vice Chancellor Ryan Low

Vice Chancellor Ryan Low provided an in-depth presentation on the proposed FY2025 operating budget and student charges for the University of Maine System. He highlighted several key points and changes from the previous fiscal year.

Budget Overview:

- The total proposed budget includes operating expenses of approximately \$650 million.
- This budget represents a balanced financial plan for the first time in over a decade, with no reliance on system reserves.
- Each campus has submitted a balanced budget, reflecting significant efforts to manage resources effectively and address financial challenges.

Key Changes:

- Tuition and Fee Adjustments: The budget includes a 3% increase in in-state undergraduate tuition. Out-of-state tuition rates have also been adjusted, with variations depending on the campus.
- Appropriations: The budget reflects a 4.5% increase in state appropriations, thanks to support from the governor and legislature.
- Compensation and Benefits: A 3% increase in compensation is included, along with a one-time reduction in benefit rates for FY2025.

Campus-Specific Highlights:

- The University of Maine has presented a balanced budget without the use of system reserves for the first time since 2014.
- The University of Southern Maine and the University of Maine at Farmington have also shown significant improvements in their financial positions.

Discussion Points:

- Trustee Trish Riley emphasized the importance of demonstrating to the full Board of Trustees the efforts made by each campus to tighten their belts and achieve savings. Vice Chancellor Low agreed and mentioned that a summary slide highlighting these efforts would be included in the full board presentation.
- Trustee Pat Flood inquired about the implications of the one-time benefit rate reduction and potential future impacts. Vice Chancellor Low explained that while there would be a short-term benefit, long-term strategies need to be developed to ensure sustainable benefit rates.

On a motion by Trustee Michaud, which was seconded by Trustee Riley, and approved by a roll call vote of all Trustees present, the Finance, Facilities, & Technology Committee approved the following resolution to be forwarded for Board of Trustee approval at the May 19-20, 2024 Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities, and Technology Committee, and approves the FY2025 Updated Proposed University of Maine System Operating & Capital Budget, Recommended Student Charges, and proposed transfers from Institutional Reserves.

ENERGY SAVINGS PERFORMANCE CONTRACT (ESPC) FINANCING PROJECT AND REIMBURSEMENT RESOLUTION AUTHORIZATION

Presenter: Tracy Elliott, VP for Finance and Controller

On a motion by Trustee Flood, which was seconded by Trustee Michaud, and approved by a roll call vote of all Trustees present, the Finance, Facilities, & Technology Committee approved the following resolution to be forwarded for Board of Trustee approval at the May 19-20, 2024 Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee and approves the Financing ESPC Project and Reimbursement of Project Expenditures resolution to authorize the University of Maine System, acting through the University of Maine, to fund an ESPC project implementing Energy Conservation Measures related to approximately 61 campus buildings with a project total of up to \$2,300,000 using financing with a maximum principal amount of debt of \$2,300,000.

LEASE AUTHORIZATION REQUEST UMA – MIDCOAST REGIONAL REDEVELOPMENT

Presenter: President Jennifer Cushman

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 approved the following resolution to be forwarded for Board of Trustee approval at the May 19-20, 2024 Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee and approves the lease of 18,839 square feet with the Midcoast Regional Redevelopment Authority for a term of 1 year with the option of up to two 2-year extensions at a total cost not to exceed \$900,000. All final terms and conditions are subject to review and approval by the University of Maine System Treasurer and General Counsel.

**ACTIVE PROJECTS AND PROJECTS WITH A VALUE OF \$250,000 OR GREATER
PRESENTER: JOHN FORKER, INTERIM CIO**

- John Forker provided an overview of the ongoing and significant projects across the University of Maine System, highlighting the status and progress of each.
- The projects included updates on IT infrastructure improvements, cybersecurity enhancements,

and various campus-specific initiatives.

- Forker emphasized the importance of maintaining momentum on these projects despite the interim nature of his role and assured the committee of the continued focus on meeting project goals and timelines.
- Specific examples included:
 - Student Information System (SIS) Upgrades: Continued implementation of the new SIS, with a focus on integrating financial aid and student records to improve user experience and administrative efficiency.
 - HR and Finance Systems Migration: Progress on migrating human resources and finance systems to cloud-based platforms to enhance data accessibility and security.
 - Cybersecurity Projects: Ongoing efforts to bolster cybersecurity measures, including system-wide updates and training initiatives to protect against emerging threats.
- Forker noted the collaboration with campus stakeholders and the alignment of these projects with the strategic goals of the University of Maine System.

CORE FINANCIAL RATIOS

Presenter: Vice Chancellor Ryan Low

Detailed review of core financial ratios and their implications on the financial health of the University of Maine System.

Vice Chancellor Low highlighted the importance of these ratios in assessing the financial stability and strategic planning of the institution.

No specific resolution required.

UNIVERSITY CAPITAL PLAN BRIEFINGS – UM/USM

Presenters: President Joan Ferrini-Mundy (UM) and President Jacqueline Edmondson (USM)

Discussion on the capital planning for the University of Maine and the University of Southern Maine.

The briefings covered planned investments in infrastructure, ongoing construction projects, and future development initiatives to support academic and operational needs.

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/>

Adjournment.

Elizabeth Stickler, Clerk