Maine's Public Universities
UNIVERSITY OF MAINE SYSTEM

University of Maine System Testimony Presented by Chancellor Dannel Malloy In Support of LD 460, *An Act to Authorize a General Fund Bond Issue to Improve Student Success and Workforce Readiness Within the University of Maine System*, April 26, 2023

Senator Rotundo, Representative Sachs and distinguished members of the Joint Standing Committee on Appropriations & Financial Affairs: My name is Dannel Malloy and I am the Chancellor of the University of Maine System (UMS). I am here to speak in strong support of the investment in Maine's public university infrastructure proposed by LD 460, *An Act to Authorize a General Fund Bond Issue to Improve Student Success and Workforce Readiness Within the University of Maine System.*

I would like to start by saying thank you. Yesterday, the University of Southern Maine opened its new nursing simulation lab that replicates both hospital and home care settings. This state-of-the-art, 6,000-square-foot facility will allow Maine's largest nursing education program to enhance hands-on healthcare workforce training and expand student enrollment by 20% to help address the state's severe RN shortage. And it was made possible, in part, by public investment provided to our System through a 2018 general obligation (GO) bond approved by the 128th Legislature and the people of Maine. At the same time USM was cutting their ribbon, I was up at the University of Maine at Fort Kent touring the new immersive nursing simulation lab under construction there using a share of the Maine Jobs & Recovery Plan funding awarded to UMS by Gov. Mills and the Legislature. This too will allow for expanded program enrollment and ensure UMFK nursing graduates have the skills to deliver safe, effective patient care.

Later this summer, USM will also open a new 580-bed residence hall and Career & Student Success Center that will incorporate innovative mass timber construction. The project will transform USM's Portland campus, the community and students' readiness for the Maine workforce —providing much needed affordable housing that will make it easier for our students to stay in school to degree completion while incurring less debt and alleviating demand on local units. This project too was supported, in part, by the 2018 GO bond.

Our public universities' serious need for infrastructure investment is well known. **More than half of UMS facilities and three-quarters of our residence halls have not been meaningfully renovated in at least 50 years**.

Many of you have heard me say before that beyond the region's demographic challenges, the condition of our campuses is the biggest threat to Maine's workforce readiness and the sustainability of our System — especially our rural campuses. According to an independent analysis (Gordian), **our public universities are burdened by a backlog of deferred maintenance and imminent investment need that exceeds $1.6 billion, more than four times the combined need of Maine's community college system and maritime academy**.

Today though, I want to focus on opportunity.

In the cases of both the southern Maine nursing simulation and student housing projects, **State support spurred significant private philanthropy**. The same is true for the Ferland Engineering Education & Design Center that opened in 2022 at the University of Maine and will allow the System to deliver on our bold commitment to double our output of the engineers and computing professionals needed to power Maine's economy. Ongoing annual appropriation for UMS debt service initiated by the Legislature in 2017 helped catalyze the capital campaign for that project, which then raised a record $25 million from more than 500 alumni, friends and corporate donors — including the single largest capital gift in UMaine's history from Skowhegan native and mechanical engineering alumnus James Ferland, and his wife, Eileen.

Most recently, the additional debt service appropriated to us by the 130th Legislature has already been activated to support the renovation of 300 Fore Street in downtown Portland, where Maine's only law school relocated this year to be closer to the courts and commerce. State funding was more than matched by private giving, including from the Harold Alfond Foundation, Bobby Monks and Bonnie Porta. Maine Law's new home, which it shares with UMaine and USM academic, research and outreach programs, is already proving the power of modern facilities to attracting students and faculty. While applications to other New England law schools for fall 2023 admission are down 9%, Dean Leigh Saufley reports those to Maine Law are holding steady.

Each of **these projects supported great-paying construction jobs during the pandemic and will enable our universities to sustain and increase program enrollment, improve student success, meet the needs of Maine employers for more skilled workers and research-driven innovation, and benefit local communities**.

So too would the projects that would be made possible by additional State infrastructure investment, as proposed by LD 460, which has bipartisan support and was further endorsed by the Education & Cultural Affairs Committee in their budget report-back to you last month.

The System would allocate new funds across all universities statewide as determined by capital condition data. Notably, our flagship UMaine, by far the largest of our campuses, would receive $58 million of a $100 million investment, with $23 million for USM and $7.8 million for the University of Maine at Farmington, by far the oldest of our campuses.

I would like to tell you about several projects that we plan to pursue with these funds that demonstrate the depth and diversity of our need, and more importantly, the incredible impact infrastructure investment would have on the System, our students and this state.

LD 460 would **support the demolition of the infamous round building that formerly housed the law school, creating opportunity for redevelopment at the gateway of USM's Portland campus while reducing our System's overall square footage, energy usage, and operating and maintenance costs** as part of my efforts to right-size our institutions' physical plant for the future. Over the past decade, we have taken hundreds of thousands of square feet of underutilized or obsolete space offline.

Across our System, we would also **modernize residence halls, the availability and condition of which is among the top factors in student recruitment and retention** — especially given the state's shortage of affordable housing — as well as student physical and mental health. Planned projects include roof and window replacements and upgrades to HVAC and other systems for Merriman and Emerson Halls at the University of Maine at Presque Isle and Scott Hall North and South at UMF — none of which have been meaningfully renovated for at least 55 years.

Finally, infrastructure investment this year would allow us to **break ground in 2024 at the R1 UMaine for the Green Engineering & Materials Factory of the Future (GEM)**, which has already garnered $80 million, including from the U.S. Department of Defense.

Utilizing artificial intelligence and arrays of massive 3D printers, this cutting-edge facility will enable the expansion of our Advanced Structures & Composites Center's world-leading workforce training, research and innovation into next-generation, large-scale biobased manufacturing process and materials development. Building off the success of UMaine's BioHome3D made entirely from low-value wood fiber, the state's vast, sustainable forest resources, and market opportunities for durable, low-cost construction materials, an entire bay of the 90,000-square-foot Factory of the Future would be focused on affordable housing R&D. Other applications advanced by GEM, and then commercialized by the private sector, would be clean energy, transportation and boat building, including for national security use.

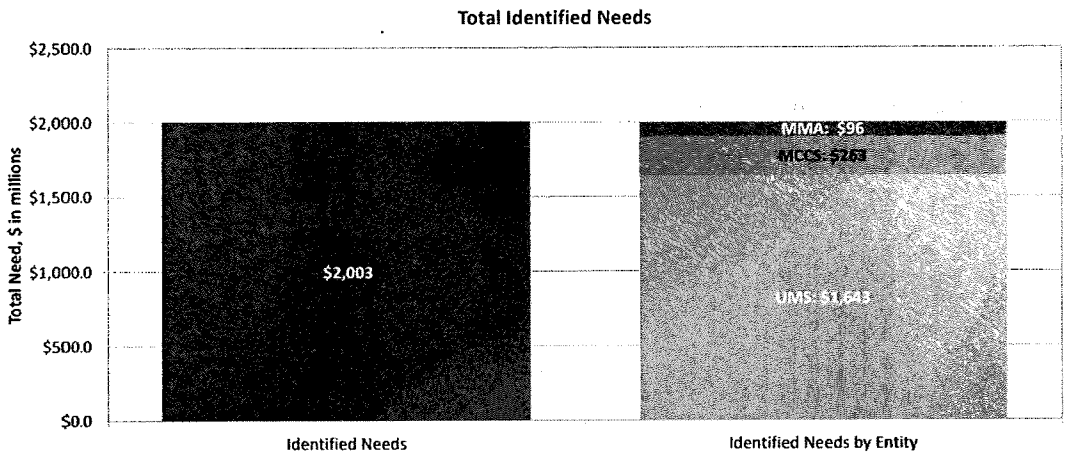
Each of these projects represents tremendous opportunity for Maine:

- To be more competitive against better-resourced institutions in New England and the nation so we can **keep Maine's best and brightest students here, bring new talent to our state, and grow the size and skill of the state's workforce**;
- To **stabilize enrollment** including at our rural campuses, on which local economies and communities are uniquely dependent;
- To **keep tuition costs and debt down**, and **support students** to completion of their door-opening degrees;
- To **attract private, philanthropic and other investment**;
- To **reduce our System's footprint, fossil fuel usage and operating costs**; and
- To leverage UMaine's R1 designation and **solidify the state as a global leader in research and development that matters to Maine**.

The University of Maine System has demonstrated we deploy public infrastructure investment to provide the greatest return to taxpayers in the form of the talent and innovation necessary for Maine's people and economy to prosper.

We urge your support of LD 460 and thank you for the opportunity to testify today.

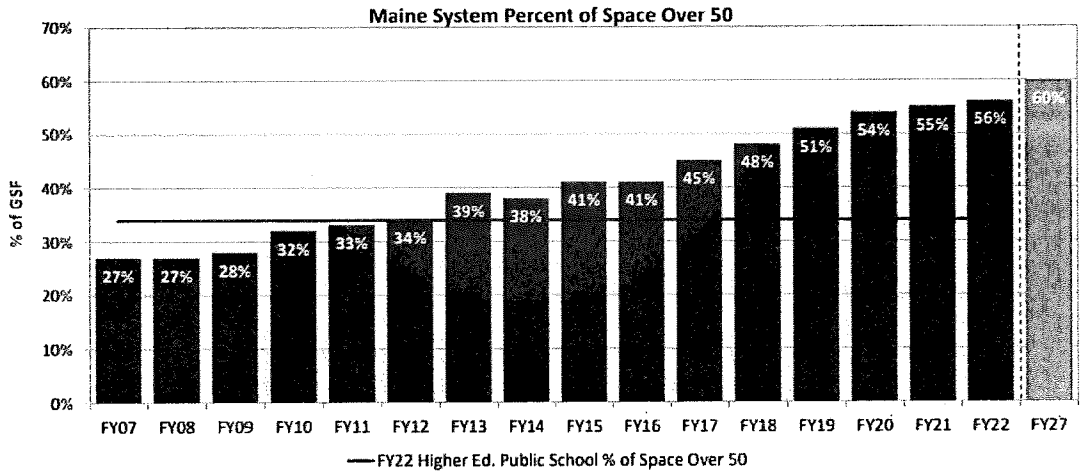
$2B of Identified Needs Across MPHE



GORDIAN

60% of Space Will be Over 50 Years Old by FY27

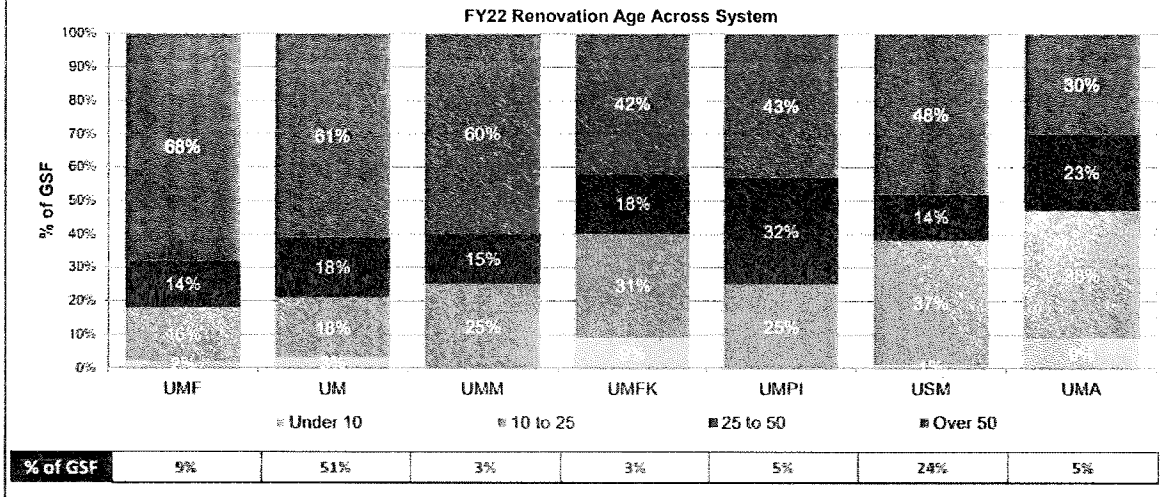
Public institutions operate with 22% less high-risk space



GORDIAN

*FY27 is calculated as campus is today, with no changes to the space profile

UM Drives Older System Profile

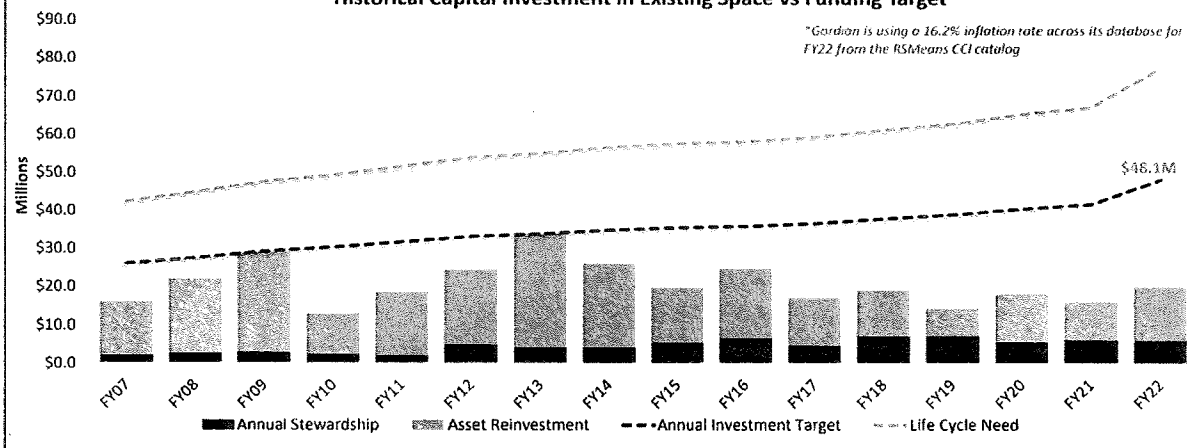


% of GSF	9%	51%	3%	3%	5%	24%	5%

GORDIAN

UMS Falls $28.1M Short of Annual Investment Target in FY22

Escalating construction costs create additional challenges for Facilities to meet targets



*January 2023 RSMeans CCI catalog is 15.1% which will be utilized in the FY23 analysis. Maine specific CCI was 16.1% for January 2022 and 11% for January 2023.

Does not include infrastructure, new space or non-facilities spending.

GORDIAN