



**Testimony of the University of Maine System
In Opposition to LD 1983, *An Act to Establish the Maine Buy American and Build
Maine Act*, Presented by UMS Director of Government Relations Samantha Warren
Feb. 27, 2024**

Senator Nangle, Representative Stover and distinguished members of the Joint Standing Committee on State and Local Government: My name is Samantha Warren and I am the Director of Government Relations for the state's largest driver of educational attainment and economic development, the University of Maine System (UMS), and a proud alumna of the University of Maine at Farmington and the University of Maine.

Your public university system is committed to purchasing goods made in America and using local vendors when available and competitively priced, selecting suppliers through a competitive procurement process, with contracts typically awarded to the lowest-priced, qualified bidder to ensure maximum public benefit. It should be noted that **the State's Bureau of General Services has no involvement or authority in UMS procurement, including that related to campus capital projects.**

In Fiscal Year (FY) 2023, UMS directly invested a record \$105 million in Maine vendors across 424 towns from Acton to York Harbor. Penobscot County, where UMS invested \$42 million into the local economy, led counties where our System did the most in-state business, followed by Cumberland (\$28.7 million), Kennebec (\$9.9 million), Androscoggin (\$7.5 million) and Aroostook (\$5 million).

Our Maine spending has been driven upwards in recent years by our focus on strategic capital improvements to increase recruitment, retention and energy efficiency, and reduce operating costs, fossil fuel usage and overall square footage. Many of our large construction projects have been awarded to Maine firms. In FY23, UMS invested \$143 million in construction activities, with 44 major capital projects completed or underway, many funded by private and corporate donations or one-time State or federal awards.

Sargent Corp., Bowman Constructors and Sullivan & Merritt Constructors Inc., all based in Penobscot County, topped the list of Maine suppliers to which UMS sent the largest payments. However, **even our contracts with firms not headquartered in the state, like Consigli Construction and PC Construction, supported good-paying Maine jobs.** These companies are headquartered elsewhere in New England but have offices in the state and employ many Mainers directly and indirectly for university projects provided that workforce is actually available.

As Consigli Construction Director of Operations Matthew Tonello, a University of Maine Civil Engineering graduate, recently noted, *"Not only do these public university projects allow us to compensate our committed team members but we are also able to hire our dedicated subcontractors across the state, local material suppliers and the Maine timber industry. Because the university is our go-to for recruiting new employees, we also know these projects will pay long-term dividends for Consigli and our state by providing the modern facilities necessary to attract and educate the future workforce our company and so many other Maine employers depend on."*

Consistent with the Build America, Buy America Act, **any university infrastructure projects funded (in whole or in part) with federal funds already must use only iron, steel, manufactured products and construction materials produced in the United States.** This requirement applies to articles, materials and supplies that are consumed in, incorporated into or affixed to an infrastructure project. **The Committee should know that this has occasionally challenged campus construction.** For example, we have struggled to procure cross-laminated timber from American manufacturers, which we wish to showcase in university buildings to demonstrate the potential of this sustainable product to grow Maine's forest economy and dependent rural Maine jobs, including in manufacturing.

It is important to note that LD 1983 as amended goes well beyond public improvement projects, and impacts procurement more broadly by requiring all manufactured goods purchased by a public agency to be manufactured in the U.S. **Our universities — most notably the R1 University of Maine — have unique procurements needs including for highly specialized equipment, typically to support research and development (R&D).** In some cases, those manufactured goods and their components may only be available from one vendor and be dependent on foreign suppliers (e.g. UMaine's large-format 3D-printer). Furthermore, in some cases, vendors that the university must use for an externally funded project are explicitly named in the enabling grant or contract. While this bill would allow for a waiver in these cases, that process would likely be overly burdensome as would verifying the percentage of domestic content of all relevant manufactured goods our System purchases, especially given the sheer amount we procure (\$327 million total spent in FY23 with more than 8,750 vendors) and could delay vital R&D and other activities while increasing student tuition costs.

Additionally, as I have shared with this Committee when it has taken up previous versions of this bill, **the federal government expressly prohibits any state or local preference** in the evaluation of bids or proposals that involve any federal funds, even if those preferences are imposed by State or local law.

Finally, it is important that this Committee know that 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.** UMS is directing more of our operating budget to deferred maintenance; selling unused or underutilized assets so they can be repurposed for public benefit; securing unprecedented philanthropic and federal investment; and pursuing public-private partnerships, where a third-party pays for improvements the university cannot afford in return for future revenue.

Yet **State support for UMS capital projects — including the \$100 million bond for UMS infrastructure proposed by the bipartisan LD 460 — is essential to modernizing our statewide physical plant, maintaining tuition affordability, and growing the size and skill of the state's workforce in support of employer needs and student economic mobility.** So too is the Legislature's caution in imposing process and procurement requirements that could increase project costs and timelines, and delay mission-critical capital improvements necessary for the success of our students and the state and the sustainability of our System.

Thank you for your consideration and I welcome providing any additional information on behalf of Maine's public universities that would be helpful for your work session.

Invested in Maine: University of Maine System Economic Impact (FY23)

"When we say the University of Maine System is the largest driver of economic development in the state, we mean it. Not only do we prepare Maine's skilled workforce, support small businesses through our world-class research and innovation activity and serve as one of the state's largest employers, but through the System's own purchasing we are keeping money and opportunity in our local communities." — Chancellor Dannel Malloy



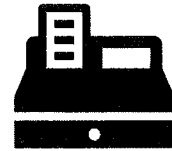
\$630M

Directly invested in Maine through payroll and purchasing, 2X State aid.



\$526M

Total compensation for 14,640 faculty, staff and student workers statewide.



\$105M

Paid to Maine vendors in 424 towns for local supplies and services.

\$42M

Penobscot County

\$28.7M

Cumberland County

\$9.9M

Kennebec County

\$7.5M

Androscoggin County

\$5M

Aroostook County

Top Maine Counties for UMS Local Spending in FY23



Supporting Good-Paying Maine Construction Jobs

\$143M for Statewide Construction Activities Across 44 Major Projects

"The University of Maine System's increasing investment in buildings and infrastructure has been integral for growth in Maine's construction industry. Beyond the direct income to firms employing Maine's skilled workers, the System's impact is multiplied by local spending on goods, services, suppliers and materials." — AGC Maine President Kelly Flagg



Growing Maine's Food Economy, Rural Opportunity

\$1.85M for Local Food From 115 Maine Growers and Producers

"Maine Farm Bureau and Maine farmers really appreciate the university buying locally... This level of large institutional investment in our Maine farms ensures they and are rural economy can thrive while also preserving open space access and our environment." — Maine Farm Bureau President David Kent

Based on FY23 UMS procurement data.