



**University of Maine System Testimony in Opposition to  
LD 50, An Act to Provide the Right of First Refusal to Towns in Which the University  
of Maine System and Similar Quasi-independent State Entities Are Selling Property  
Presented by UMS Chief External & Governmental Affairs Officer Samantha Warren  
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Senator Baldacci, Representative Salisbury, and distinguished members of the Joint Standing Committee on State and Local Government: My name is Sam Warren and I am the Chief External & Governmental Affairs Officer for the University of Maine System (UMS).

**UMS strongly opposes LD 50**, which would limit our ability to generate the revenue necessary to maintain tuition affordability for Maine students and limit opportunities for local organizations — including housing authorities, health and social service providers, public school districts, and private businesses — to meet critical needs in your communities.

While Maine's public universities are showing encouraging enrollment gains this year, over the past decade, our overall enrollment has declined by 11% and the number of credit hours delivered at a distance has doubled. Most relevant to this legislation is that the utilization of our universities' buildings, as determined by the number of active users in relation to square footage, is down 40% from a decade ago and is nearly two-thirds below the national average for public higher education. At the same time, more than half of our buildings and three-quarters of residence halls have not been meaningfully renovated in at least 50 years. **Our System is now burdened by \$1.6 billion in deferred maintenance.**

As a result, our recent UMS strategic plan has prioritized achieving fiscal and energy efficiencies through the sale or lease of unused or underutilized buildings and land. Since that plan was released in May 2023, our Trustees have authorized the sale of 12 buildings totaling more than 96,000 square feet and 113 acres.

- In Bangor, the University of Maine at Augusta sold four acres to BangorHousing, which will develop 50 units of **affordable senior housing**.
- In Houlton, the University of Maine at Presque Isle (UMPI) sold its higher education center to Community Living Association so that well-established Aroostook County nonprofit could **expand services to individuals with intellectual disabilities**.
- In Presque Isle, UMPI also sold its 9,650-square-foot Skyway Complex to the Mi'kmaq Nation, which plans to **redevelop the property into a Tribal Court and support services, including counseling, job training, and childcare**.
- In Portland, the University of Southern Maine sold five office buildings, which have been renovated and **returned to the local tax rolls** as residential housing.

LD 50 would stop or slow transformational transactions such as these — significantly **delaying the beneficial repurposing of buildings and land** and straining our already

underfunded public universities with the unnecessary costs of heating, cooling, and otherwise maintaining vacant space.

Current System policy allows our public universities to sell unused or underutilized property through a competitive request for proposals process or by listing with a pre-approved commercial broker. This ensures that UMS stewards taxpayer and tuition dollars with integrity and can structure real property sales in a fair, transparent manner that is consistent with our mission and operational needs, something the proposed legislation would prevent. For example, in 2022 when the System sold its interest in 16 Central Street in Bangor, it retained space on the site to support the infrastructure necessary to maintain internet connectivity in the region. 16 Central Street now houses the office of Wabanaki Public Health & Wellness, yet another example of our current process meeting Maine's needs.

**Since the System began its right-sizing efforts in 2023, there is not a single instance where a municipality has submitted a formal offer to purchase real property.** Most UMS properties have sold at market rate and in the rare instances where they have sold above market rate, the additional revenue is reinvested back into our public universities for their sustainability and the benefit of our students, more than half of whom have financial need as evidenced by their eligibility for federal Pell Grants.

You should know that System policy already allows for a waiver from the competitive sale process with the approval of our Board of Trustees. Consistent with that, the University of Maine Farmington is offering the Town of Farmington the right of first refusal on a property UMF intends to sell and for which the Town has previously expressed an interest in purchasing. That UMF parcel abuts municipal offices and garages and has a shared parking lot and road access, hence the justification of the waiver.

Last session, the Education & Cultural Affairs Committee overwhelmingly rejected a proposal from the legislative sponsors of LD 50 that would have required UMS to transfer a property appraised at \$2.52 million to the City of Belfast. At the time, the Committee encouraged the System to consider community impact when selling buildings and land to the extent practicable and consistent with State law and UMS policy. As the voluntary Town of Farmington right of first refusal demonstrates, we have sought to do so where appropriate. But ultimately your colleagues concluded, **"Committee members recognize and support the System's duty to preserve its own fiscal responsibility during the difficult decisions to divest and dispose of property."**

I encourage you to follow their lead and ensure all interested parties have equal opportunity to purchase UMS property.

Thank you and I welcome your questions.