



**University of Maine System Testimony in Support of
LD 1014, *An Act to Authorize a General Fund Bond Issue to Develop Maine Talent and
Innovation by Improving the Infrastructure of the University of Maine System*
Presented by Vice Chancellor for Finance & Administration Ryan Low - April 17, 2025**

Senator Rotundo, Representative Gattine, and distinguished members of the Joint Standing Committee on Appropriations & Financial Affairs: My name is Ryan Low and I am the Vice Chancellor for Finance & Administration for the University of Maine System (UMS) and a proud graduate of the University of Maine at Farmington (UMF). I am here to **speak in the strongest support of the \$100 million general obligation bond investment in Maine's public university infrastructure proposed by the bipartisan LD 1014.**

As you recently heard from Chancellor Malloy, **the condition of our campuses is a crisis.**

Decades of underfunding and our commitment to student affordability have burdened our public System's statewide physical plant with \$1.8 billion in deferred maintenance and imminent investment need. **More than half of our facilities have not been meaningfully renovated in at least 50 years. At our R1, D1 land-grant University of Maine and its regional campus in Machias, the renovation age — and the risk of failure of major building components — is even higher.**

Our System's outdated classrooms, research labs, residence halls, and public spaces make it harder to recruit and retain students, compounding the nation's most adverse demographics for institutions of higher education. This challenges the sustainability of our universities where the law requires them to be and where they are the most significant drivers of local employment and opportunity. **Across UMS and especially at UMaine, antiquated buildings and mechanical systems delay and diminish cutting-edge research and threaten the growth and competitiveness of Maine's workforce and innovation economy.** Simply put, we cannot deliver the 21st-century education, research, and extension Maine depends on in 19th-century facilities.

In recently reaffirming our AA- credit rating, S&P concluded that State funding, particularly to address deferred maintenance, will be "imperative to the System's long-term success," as well as maintaining the rating in the future. S&P noted our impressive strengths are directly diminished because of our "significant capital needs."

The University of Maine System is doing everything we can to address our serious needs and right-size for a future that will include more students taking classes online. Chancellor Malloy has required each UMS university to devote a greater share of their operating budgets to deferred maintenance each year. We're pursuing creative public-private partnerships, like Hotel Ursa at UMaine, to advance needed improvements we could otherwise not afford. We're securing more money from non-State sources, including

philanthropic and corporate giving, and — thanks to our Congressional Delegation led by U.S. Sen. Susan Collins — from the federal government, though this critical funding stream is increasingly uncertain. And we've made the difficult decision to sell underutilized properties, with more than a dozen sold in just the past 18 months — many repurposed for public benefit, including affordable senior housing in Bangor.

This bond would build upon that hard work and support our data-driven efforts to move beyond projects picking us to making strategic investments for the future.

We plan to direct nearly one-third of the bond funds to demolishing several dozen obsolete buildings that are well beyond their useful life but too costly to modernize. This would reduce our statewide footprint by more than 500,000 square feet and generate ongoing operational cost savings necessary for UMS to maintain tuition affordability and meet contractual commitments to our employees.

A significant portion of bond monies will modernize mechanical and other systems at UMaine to foster world-class research and development and ensure our flagship maintains its important R1 status and can best serve students, the state, and science. Proceeds would also improve residence halls, including at the University of Southern Maine, and make health and life safety upgrades at all campuses, including fire protection and security that keep our students, employees, and the public safe.

We've seen the incredible payoff of past State investments, including in our output of in-demand engineering and computing professionals, nurses, and early childhood educators.

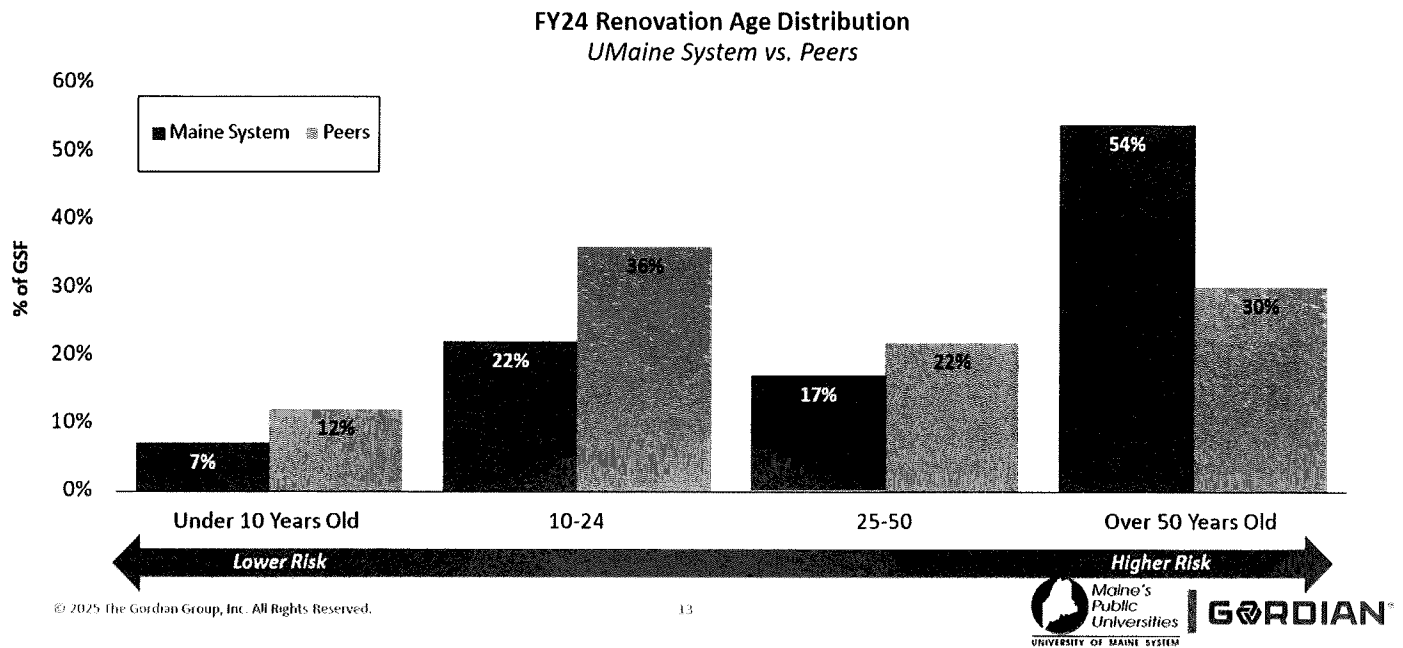
Amid an attorney shortage in the state that is limiting access to justice, the University of Maine School of Law's recent relocation, supported by ongoing debt service and the Harold Alfond Foundation, had led the state's only law school to realize record enrollment, and applications for the coming fall are up 60%. Meanwhile, investments in energy efficiency at UMF have resulted in a 42% reduction in annual utility expenses, savings being reinvested in our students. And at USM, a transformation of the Portland campus made possible by our last bond has yielded the first enrollment increases there since 2018 and historic gains in student retention and pathways to Maine careers.

Just like roads and bridges, our universities' classrooms and research laboratories are public infrastructure essential to the mobility of Maine people and our economy. Please support this long-overdue investment to enable our System to deliver the skilled talent and research-driven innovation necessary for Maine's prosperity.

Thank you and I welcome your questions.

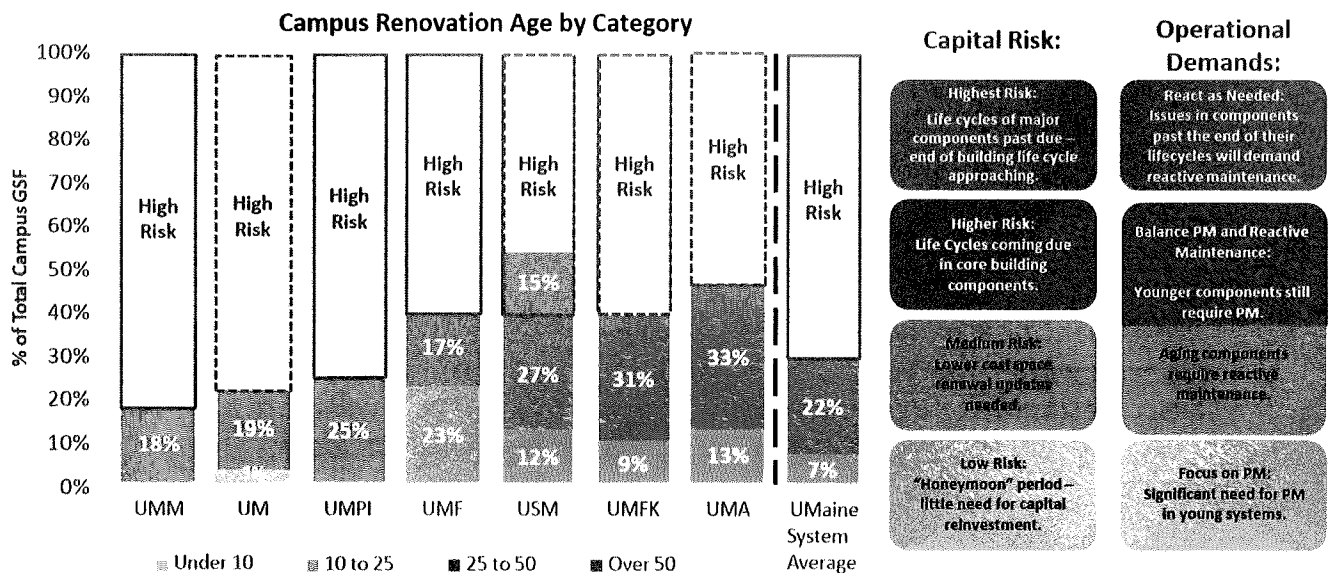
UMaine Systems' Current Age Profile is Higher Risk Than Peers'

Despite recent work, significant exposure exists in buildings over 50 years old



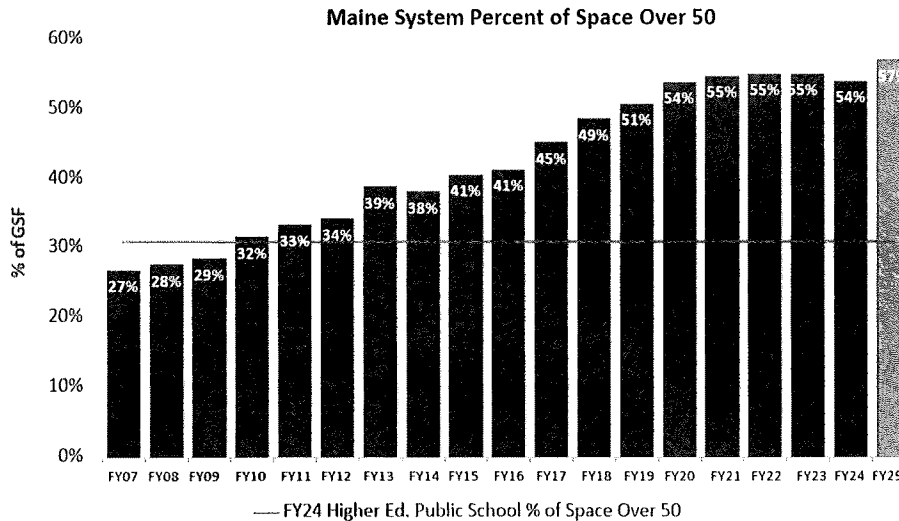
Creating Additional Context With Age Profile

As buildings age into higher risk categories, the capital and operational risks they carry increase



Investment and New Construction Lowers Aging of Facilities ★

Space Will Continue to Age Without Divestment or Renovations



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Capital Risk:

Highest Risk:
Life cycles of major components past due—end of building life cycle approaching.

Higher Risk:
Life Cycles coming due in core building components.

Medium Risk:
Lower cost space renewal updates needed.

Low Risk:
"Honeymoon" period—little need for capital reinvestment.

Operational Demands:

React as Needed:
Issues in components past the end of their lifecycles will demand reactive maintenance.

Balance PM and Reactive Maintenance:
Younger components still require PM.

Aging components require reactive maintenance.

Focus on PM:
Significant need for PM in young systems.



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Concluding Comments ★

- UMS will need \$54.5-88M each year to slow the aging process and mitigate deferred maintenance.
- Strategically invest into facilities that are critical to institutional mission by focusing on function of space and low NAVs.
- 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.
- UMS is experiencing staffing shortages and talent loss due to wage discrepancies within surrounding areas. According to Gordian's 2024 State of Facilities, an estimated 40% of current building industry workers will retire by 2030, while hiring efforts are hindered by significant wage gaps in local communities.

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