



University of Maine System Testimony Supporting LD 1219, *An Act to Increase State Funding for the Campuses of the University of Maine System and to Raise the Minimum Hourly Wage for Employees of the System* — Presented by UMS Chief External & Governmental Affairs Officer Samantha Warren — April 24, 2025

Senator Rafferty, Representative Murphy, and distinguished members of the Joint Standing Committee on Education & Cultural Affairs: My name is Sam Warren and I am the Chief External & Governmental Affairs Officer for the University of Maine System (UMS) and a proud alumna of the University of Maine at Farmington and the University of Maine.

At one time, the State funded 72.5% of our public system's operations. However, **appropriations for UMS have dramatically decreased since the Great Recession when adjusted for inflation and now account for a smaller share of our revenue (43%) than from student tuition.** Had our State funding kept pace with the Consumer Price Index (CPI), Maine's public universities would have received \$34.4 million more this fiscal year to invest in student financial aid, teacher and learning, research, extension, and mission-critical facilities.

According to the most recent analysis by the State Higher Education Executive Officers Association (SHEEO), **Maine invests significantly less in its public postsecondary students than the national average** and spends more per full-time community college student than on students who enroll in our public universities. Despite this, we have held our tuition rate to the lowest in the region. As a result, SHEEO also found that **the combination of State appropriation and student tuition for Maine's public postsecondary institutions is the 7th lowest in the nation.**

The costs of this chronic underinvestment in Maine's largest educational and economic development enterprise are widespread across our System and our state, and limit the growth and competitiveness of both. Our wages are significantly below market averages, challenging workforce recruitment and retention and the ability of our dedicated employees to support their families. Meanwhile, our System's statewide physical plant is burdened by \$1.8 billion in deferred maintenance and imminent investment need, threatening the sustainability of our universities where the law requires them to be and where they are the most powerful engines of educational and employment opportunity.

The System's current fiscal year budget is the first to be balanced in a decade. Doing so depended on settling contracts well below what was requested by our unions; one-time savings; sharing services, programs, and positions; securing more external funding through corporate, federal, and philanthropic partners; and new revenue generation that has not always proven popular with you and your constituents, including selling underutilized properties and requiring payment for some parking. In recent years, UMS has been forced to initiate a System-wide hiring freeze, retrench faculty and staff, incentivize faculty retirement, leave hundreds of positions vacant, and further delay deferred maintenance.

In recognition that our public universities are Maine's most proven path to prosperity and one of its largest and most essential employers, Governor Mills and the Legislature have recently begun to reverse three decades of declining State support for our System, for which we are grateful. The Governor's FY26-27 budget included a 4% funding increase for UMS in both years of the biennium, which was endorsed by a bipartisan majority of this Committee, as well as \$4 million annually to cover our projected costs for implementing Maine's new mandatory paid leave program. Unfortunately, this critical support was not included in the continuing services budget passed by the Legislature last month. **We urge you and your colleagues to make restoring this funding your priority in the Part II budget.** To put the necessity of doing so into perspective, **the cost to UMS of collectively bargained compensation increases in FY26 is estimated to exceed \$16 million, an amount equivalent to the revenue that an 8% Systemwide tuition increase would generate and well above the \$9.58 million in new funding provided by the 4% appropriation increase.**

Our System shares the goals of LD 1219 to increase State investment in our public universities so we can advance student affordability, competitive and fair employee compensation, academic and research excellence, and Maine's upward mobility. We have a number of important technical considerations that we hope the Committee will address as the bill moves forward. And we must be clear that while UMS is committed to continuing to improve employee compensation without overburdening our students — more than half of whom qualify for need-based federal Pell grants, we oppose the Legislature circumventing the collective bargaining process and imposing a new minimum wage solely on our public System at a cost just in FY26 of \$8.35 million. However, these concerns do not take away from **our dire funding needs, which demand the Legislature's serious attention and action,** and thus our support of this bill.

Despite the disadvantages of demographics, our crumbling campus infrastructure, and decades of underinvestment, **Maine's public universities are delivering, with increasing enrollment, record retention, and unprecedented research productivity and partnerships.** Just in the last five years, we've graduated 30,000 career-ready professionals into the Maine workforce, led by those with in-demand business, teaching, health care, and engineering/computing degrees. Our alumni earn more than double Maine's median income. This is a testament to the talent and innovation of our faculty and staff, including those who have joined us here today, and the unmatched value proposition of a UMS education. **Your support of increased appropriations for our System's operations and infrastructure at or above the levels proposed by the Governor and this Committee leverages these strengths and successes and is the surest way to promote student access and achievement and a competitive Maine workforce and economy.**

Thank you for your support of Maine's public universities and I welcome your questions.