



**MAINE'S PUBLIC
UNIVERSITIES**
UNIVERSITY OF MAINE SYSTEM

**University of Maine System Testimony in Support of
LD 2212, An Act Making Supplemental Appropriations and Allocations from the
General Fund and Other Funds for the Expenditures of State Government and
Changing Certain Provisions of the Law Necessary to the Proper Operations of State
Government for the Fiscal Years Ending June 30, 2026 and June 30, 2027 (FY26-27
Supplemental Budget), Presented by UMS Vice Chancellor for Research & Innovation
and University of Maine President Joan Ferrini-Mundy, February 20, 2026**

Senators Rotundo and Rafferty, Representatives Gattine and Murphy, and distinguished members of the Joint Standing Committees on Appropriations & Financial Affairs and Education & Cultural Affairs: My name is Joan Ferrini-Mundy and I am the Vice Chancellor for Research & Innovation for the University of Maine System (UMS) and the President of the University of Maine, which serves as Maine's R&D Department and is the only institution in the state to have achieved R1 Carnegie Classification for research productivity and performance. I also chair the Maine Innovation Economy Advisory Board.

I am here today to testify in **strong support of the investments the supplemental budget proposes in UMS research and development (R&D)** and ultimately, Maine's economic growth and competitiveness.

UMS Educational & General Activities (Part A, Page 116)

The \$2 million one-time appropriation you will find on Page 116 (Part A) would **establish a research opportunity fund to enable our public universities to pivot quickly** in a rapidly evolving national R&D landscape to secure new funding and advance activities aligned with the priorities of Maine and the nation.

Through its ongoing appropriation since 1997 to the Maine Economic Improvement Fund (MEIF), the Legislature ensures our System has the basic and ongoing investment needed to sustain our R&D enterprise and strengthen the state's innovation workforce and economy. In FY25, our System leveraged the \$21.85 million MEIF appropriation to secure nearly \$160 million in external funding for research in the seven strategic sectors — mostly at UMaine and through federal grants and contracts. Funds supported university laboratories and researchers, including more than 1,400 students, who collaborated with hundreds of Maine companies to solve their challenges, accelerate product development, prepare the innovative workforce they require, create high-paying jobs, and reach markets and profitability faster than they could on their own. You can learn more about MEIF's incredible impact in our FY25 report, which was delivered to your committees in December and is also attached to my testimony.

By design, MEIF is not intended for rapid response. It is sector-focused, ongoing, and foundational and we are deeply grateful for it.

The nation's research funding landscape is changing more quickly than ever, largely because of emerging economic opportunities enabled by new technology. Federal agencies are issuing new requests for proposals in advanced manufacturing, artificial intelligence (AI), energy and natural resources, life sciences, rural health delivery, and workforce development. They frequently have turnaround times of weeks, not months. **Our public universities are not short on great ideas, initiative, or talent. What we lack is the flexible funding needed to compete** for new federal and private research grants that leverage our signature strengths and address the needs of Maine and the nation.

Let me give you an example: In November, the U.S. Department of Energy, a major strategic partner of UMaine, issued a "notice of funding opportunity" for awards of up to \$40 million to develop next-generation critical mineral extraction technologies. Maine is uniquely positioned to lead in this area, given our world-scale deposits of minerals like lithium and manganese; existing industrial sites well-suited for mineral processing; specialized expertise within UMS, most notably at UMaine, the University of Maine at Presque Isle, and the University of Southern Maine (USM); and strong existing partnerships between our System, the Maine Geological Survey, and the U.S. Geological Survey. In just a few weeks, our researchers developed the exciting concept of establishing the Minimally Invasive Mineral Innovation Center at UMaine to facilitate the characterization and exploration of critical mineral reserves, research and develop clean, efficient mineral-processing technologies, and provide training for new mineral engineers and technologists. This grant would have been a game-changer for our System, Maine's rural economy and communities, and our national security and supply chains. Unfortunately, we did not move this promising proposal forward because we could not commit to meeting the match requirement.

We have many other recent examples — including opportunities to advance affordable housing, AI, biomedical innovation, college and career readiness for individuals with intellectual disabilities, engineering, lobster research, PFAS remediation, and rural health care delivery — where **Maine has missed big opportunities because we lacked a relatively small amount of unrestricted seed funding**. The modest \$2 million request before you would help address this, allowing UMS to develop competitive proposals, cover non-federal cost-share to unlock large grants, support graduate students who are Maine's future knowledge and innovation workforce, purchase specialized equipment or modernize research facilities, and recruit and retain high-performing faculty in priority areas.

Maine's total R&D investment remains at just 1.4% of GDP, far below the national average of 4.1% and the New England average of 6.3%, and well below what is necessary for our economy to be seriously competitive. Last year, the Legislature set an ambitious statutory

goal to reach that national average by ~~2023~~²⁰³⁰. Achieving this will require sustained support — like from MEIF — and strategic flexibility.

The federal government is making bold investments in new areas, as is the private sector and philanthropy. The state's economy can't afford to miss these opportunities. Our public universities have demonstrated our willingness and ability to adapt, excel, and deliver extraordinary returns. **This investment will allow Maine's R&D Department to move at the speed of opportunity** — to compete, to win, and to lead in bringing new investment to our state and making life better for all Maine people.

Also on Page 116 (Part A), you will find an initiative to **provide appropriation directly to UMS for the Maine Education Policy Research Institute (MEPRI)**. Since 1995, UMaine and USM researchers working through MEPRI have provided trusted education policy research and program evaluation to the Legislature and to the state. Their recent work on the school funding formula has been essential to your committees.

Currently, the Legislature appropriates funding for its contract with MEPRI to the Maine Department of Education, which requires our researchers and State staff to undertake a time-consuming contracting process each year. The DOE and our System agree that after three decades, this is unnecessary, and we hope you will agree. As we move from a contractual arrangement to base budgeting, all aspects of MEPRI's enabling statute remain the same. The Legislature, with the input of the stakeholder advisory committee defined in statute, will still determine MEPRI's annual workplan and your committees will ensure accountability.

You will find the related reduction initiative on Page 30 (Part A) and MEPRI Co-Director Amy Johnson will be available at the Education & Cultural Affairs Committee work session next week to answer your questions. I would additionally note the Legislature's commitment to MEPRI has remained flat since 2005.

Maine Economic Improvement Fund (Part A-116)

As we have discussed, AI can be transformative for Maine and its place in our global economy, including for businesses and industry, education, government, and health care. Indeed, that transformation is already underway. At the same time, we must be thoughtful about how we responsibly integrate AI into our lives and work, and develop the necessary human, physical, and policy infrastructure to fully realize its incredible, constantly evolving potential.

As part of a comprehensive package of AI-related investments that advance the recommendations of the Maine AI Task Force on which Vice Chancellor for Finance & Strategic AI Integration Ryan Low served, this new initiative proposes a \$400,000 ongoing annual appropriation for UMS **to establish the Maine AI Public Innovation Hub**.

As Maine's largest educational and research enterprise and with strong statewide relationships across the public, private, and nonprofit sectors, we are uniquely positioned to coordinate this important work. Our System is already the leading provider of AI professional development for Maine workers, with Vice Chancellor Low, now a national leader in AI integration in higher education finance and administration, delivering specialized training to more than 1,400 professionals in the past year. At UMaine, we have launched an AI Initiative that leverages the university's strengths across disciplines, including computing and information sciences, engineering, health and life sciences, business, education, social sciences, and more to undertake AI-related research, education, and application.

From using AI in special education instruction to tracking the environmental impacts of AI to studying the efficacy of AI in medical diagnosis compared with human clinicians, UMS is on the cutting edge and eager to empower others with our research findings and best practices and policies. For example, through its Cyber Range, the University of Maine at Augusta provides hands-on cybersecurity training to State agencies, municipalities, and businesses, while also preparing the next generation of professionals to protect our critical electronic infrastructure. This is a model for how our System can scale AI technical assistance across Maine. With this investment, we can partner with other higher education institutions to build on existing resources and expand **statewide capacity for digital innovation and integration**.

University of Maine Scholarship Fund (Part A-116)

UMS is a national leader in providing affordable access to high-quality, high-value postsecondary education and research learning. This is especially important because more than 50% of our System's undergraduate students have financial need as demonstrated by eligibility for federal Pell grants, and more than 40% are the first in their families to pursue higher education (first-generation).

Consistent with MRS Title 8, Section 1036, 2% of Maine's net slot machine income is apportioned between this public university scholarship fund and Maine Maritime Academy based on the ratio of enrollment. For our System, this slot machine income is a critical funding source for need-based scholarships that ensure baccalaureate education and upward mobility are accessible to learners in the state, regardless of their ability to pay. Using this revenue, last fiscal year, our System awarded more than \$4.2 million in total to 2,842 Mainers who demonstrated financial need, with an average award of \$1,499 per student. This initiative significantly reduces funding to align allocations with projected revenue, which has begun to decline due to the expansion of other gaming options.

Thank you for considering our requests and for your partnership. I look forward to answering your questions and continuing our work together for our students and our state.



MAINE ECONOMIC IMPROVEMENT FUND FISCAL YEAR 2025 IMPACT REPORT



FY25 brought both unprecedented momentum and headwinds for University of Maine System research and development (R&D). During this year, the Maine Economic Improvement Fund (MEIF) was essential to our ability to deliver the talent and innovation necessary to continue to grow the state's economy and competitiveness.



Through MEIF, the Legislature supports System R&D with commercial promise and statewide relevance and impact, ensuring Maine's public universities have the basic infrastructure and investment needed to obtain matching funds and merit-based grants.

Led by the world-class University of Maine, the state's only institution to have achieved R1 Carnegie Classification, our ongoing MEIF appropriation is leveraged at an extraordinary rate. In FY25, UMS delivered a more than 7:1 return on every MEIF dollar — directly supporting student, faculty, staff, and student research and partnerships across Maine's seven strategic sectors.

Amid a dynamic and rapidly evolving federal funding environment, MEIF was foundational to us achieving record research success and impact in FY25. While tens of millions of dollars in our existing federal grants and contracts remained terminated or paused as of June 30, 2025, Maine's public universities continued to compete for new R&D funding, win, and deliver impact.

In fact, the amount of external funding secured by the System for our state this fiscal year surpassed \$283 million, with a historic high of \$243.6 million at UMaine. These results reflect the quality and relevance of our research and our willingness and ability to adapt our activities to align with emerging state and national opportunities, made possible by the stability of MEIF.

The impact on these investments across our state is extraordinary. By supporting modern laboratories, specialized expertise, and research learning experiences that prepare our graduates for in-demand careers, MEIF advances new discoveries and allows Maine businesses to access a knowledgeable workforce and cutting-edge facilities, accelerate product development, reduce risk, and reach markets faster than they could on their own.

Our outcomes are especially significant given Maine's longstanding underinvestment in R&D. At just 1.4% of GDP, Maine's overall R&D spending remains well below the national (4.1%) and New England (6.3%) averages, which puts our economy at a competitive disadvantage. A new State statutory goal to reach the U.S. average by 2030 sends a clear signal to the world that innovation matters in Maine. That will require growing funding from flexible sources like MEIF that allow seed funding, attract co-investment, and respond to real economic needs. Please think of UMaine as the state's R&D Department and our public universities as your partner in achieving that goal and promoting prosperity for all Maine people.

We are grateful for the continued support of the Legislature, Governor Mills and State agencies, Maine's Congressional Delegation, and our many private sector and community partners. Together, we are proving that sustained research investment, like that of MEIF, strengthens Maine's economy and workforce, expands opportunity, and positions our state as a leading source of innovative solutions in an increasingly competitive and changing world.

Dannel P. Malloy
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Joan Ferrini-Mundy
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President, University of Maine and
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Our goals:

Generate co-investment

For every **\$1 from MEIF, UMS leveraged a record \$7.3 in co-investment** for projects in the seven strategic sectors in FY25.

Expand economic partnerships

Led by UMaine, UMS leveraged MEIF to **directly partner with 378 Maine companies** in FY25 to strengthen the economy statewide.

Grow Maine's skilled workforce

MEIF directly **supported 1,453 UMS students** participating in hands-on, research learning in FY25, generating real-world solutions and preparing them for success in high-demand careers.

Leveraging MEIF to Strengthen Statewide University Research Infrastructure and Impact

As part of a System commitment to building research opportunities, capacity, and impact statewide, a portion of MEIF funding is directed to small UMS universities through an annual internal competition. Seed funding provided through MEIF supported a University of Maine at Augusta project, *Smart Manufacturing: Securing Maine's Factories of the Future*, leading to a \$200,000 competitive federal award to launch new training pathways in partnership with the Maine National Guard, Greater Augusta Utility District, Tyler Technologies, and local community colleges. The two-year initiative will strengthen Maine's cybersecurity workforce and protect critical public infrastructure by training up to 60 participants through microcredentials, apprenticeships, and boot camps.

Other FY25 MEIF-supported small campus research included:

- *A Machine-Learning Based Diagnostic Tool for Detecting Breast and Prostate Cancers* (University of Maine at Presque Isle)
- *Building Collaborative Wood Quality Research Capacity* (University of Maine Fort Kent)
- *Filter-Feeding Bivalves and Their Role in Soft-Shell Clam Recruitment: A Comprehensive Study in Maine's Coastal Waters* (University of Maine at Machias)
- *Remote Monitoring of Maine's Snowpack to Determine Infrastructure, Recreation, and Ecological Impacts of Changing Winter* (University of Maine at Farmington)

Success Stories from Maine's R&D Department



Mechanical engineering researchers at UMaine are innovating new technology to improve seniors' safety and support independent living.

A team of Black Bear researchers has developed a small wearable device that uses rhythmic haptic feedback to encourage arm movement, which in turn improves gait, balance, and mobility. With its low cost and user-friendly design, the device shows promise for broader at-home use and integration into rehabilitation practices, extending the benefit beyond Maine to aging communities everywhere.



Specialized UMaine facilities and expertise is helping the Portland-based SalmoGen Company, Inc. significantly accelerate its timeline to market.

"These fish are the foundation of our breeding program and essential to the future of our company. Housing them at the UMaine Center for Cooperative Aquaculture Research, under the care of their expert staff, enables us to rapidly scale up our biological assets while our own Maine facility is designed and constructed," said General Manager Nick King. "This partnership accelerates our timeline to market by four years, meaning that we expect to begin operations and hiring much sooner, bringing new employment opportunities and economic benefits to the local community."



UMaine is partnering with the VA Maine Healthcare System to expand healthcare services, advance medical research, and improve clinical education, directly benefiting Mainers — especially Veterans — by addressing key health challenges such as rural access, aging, mental health, and chronic disease. By combining UMaine's research expertise with VA Maine's clinical reach, the collaboration is launching mobile health clinics, telemedicine, and workforce training. "Together, we can improve the quality of care for eligible Maine veterans and make a broader impact on the health of communities throughout the state," said Medical Center Director Tracey Davis.



As part of its efforts to strengthen the state's struggling dairy industry, UMaine has introduced a new advanced robotic milking system at its animal science research farm in Old Town. The technology allows cows to set their own milking schedule, increasing production and herd health while reducing labor demands. Since 1994, the number of dairy farms in Maine has declined 75%, in part due to workforce shortages and production costs. With the modernization of Witter Farm, UMaine is preparing students for rewarding careers in agriculture and helping to de-risk and research the integration of new milking technologies to improve industry profitability.

MEIF-Funded UMS Student Interns Support Startups Through Maine Regulatory Training and Ethics Center

The MEIF-supported Maine Regulatory Training and Ethics Center (MeRTEC) at the University of Southern Maine helps small businesses navigate complex regulatory requirements by pairing them with student interns. In FY25, MeRTEC supported Mar Mar, a Portland-based food startup producing kelp-based noodles from Downeast-harvested seaweed, by connecting founder Elizabeth Kennedy with University of

Maine School of Law interns who provided guidance on key regulatory and operational issues, including DBA best practices, food manufacturing compliance, and intellectual property protection. With this technical assistance, Mar Mar launched its first product in 2025, contributing to the growth of Maine's blue economy.