



DATE: May 5, 2021
TO: Committee on Labor and Housing
FROM: Samantha Warren, UMS Director of Government & Community Relations
RE: **LD 1633, An Act To Require Responsible Contracting Practices for Public Construction Projects**

Senator Hickman, Representative Sylvester and distinguished members of the Joint Standing Committee on Labor and Housing: I am writing today on behalf of the University of Maine System (UMS) to inform the Committee's consideration of LD 1633, *An Act To Require Responsible Contracting Practices for Public Construction Projects*.

Maine's public universities consistently raise concern in this Committee and others about legislation that could increase our costs and are not accompanied by additive State appropriation, including for capital projects.

We want to remind you that our System has been flat-funded from FY20-FY23, and over the last 15-year period, our State appropriation has increased on average by just 0.6% annually. The UMS also has one of the oldest facility infrastructures in the country, burdened by imminent need and a deferred maintenance backlog that has now reached \$1.3 billion. More than half of our facilities and nearly three-quarters of our residence halls have not been meaningfully renovated in more than 50 years. Nationally, just 18% of public higher education buildings are as outdated.

We are confronting the problem, thanks to public investment through the \$49 million general obligation bond passed by the Legislature and voters in 2018, and strategic focus on capital needs. We are directing more of our operating budgets to renovations and repairs to existing mission-critical facilities. Our universities have collectively taken hundreds of thousands of square feet of underutilized space offline, with plans to remove 300,000 square feet more. We are increasingly pursuing public-private partnerships, doing more of our own revenue bonding thanks to the System's AA- rating and stable outlook, and securing unprecedented philanthropic investment. Yet State support for UMS capital needs is central to our ability to address our backlog and position our institutions to best serve Maine into the future. So too is **legislative sensitivity to imposing process requirements that could increase project costs and timelines, further delaying mission-critical infrastructure improvements.**

Finally, we want to make the Committee aware that while we are governed by many of the same sections of contracting-related statute, the Bureau of General Services is not typically involved in UMS contracting solicitations and decision-making, including for capital projects supported by State funding. Given this, we are unsure how many aspects of Part A of LD 1633 would actually be implemented and how it may conflict with existing processes and the responsibilities of our legislatively confirmed Board of Trustees.

Thank you and I welcome providing any additional information you need before the work session.