

UNIVERSITY OF MAINE SYSTEM

Board of Trustees Meeting

at the University of Maine System

June 13, 2016

**Finance/Facilities/Technology Committee**

**Present: Committee Members:** Norman Fournier, Chair; Sam Collins (at UMFK), James Donnelly (by phone), Gregory Johnson (by phone) and Karl Turner (at USM). **Chancellor:** James Page. **Faculty Representatives:** Patti Miles. **System Staff:** Tracy Bigney, Chip Gavin (at USM), Tracy Elliott, Ryan Low, Richard Thompson (at UMA), Miriam White, Vendean Vafiades (at UMA), and Rebecca Wyke. **Presidents:** John Short (at UMFK), Stuart Swain (at UMM), and Kate Foster (at UMF). **Other Participants:** Claire Strickland, Buster Neel (at USM) Tim Brokaw (at UMA), Ben Shaw (at UMPI), John Murphy (at UMFK), Laurie Gardner (at UMF), Cindy Mitchell, and Fred Brittain.

**Committee Members Absent:** none.

Trustee Fournier, Chair, called the meeting to order and welcomed everyone.

**Unified Budget Recommendations.** Mr. Ryan Low, Treasurer and Chief Financial Officer, presented the draft recommendations for the Unified Budget. The key areas included in the Unified Budget are: tuition and fees, state allocation model including outcomes based funding, institutional aid/waivers, reserves, and capital project funding.

**Tuition and Fees**

1. Develop a demand-based tuition rate pricing structure for the University of Maine System.
2. Develop one unified rate structure for undergraduate degree programs that are fully online.
3. Develop one agreed upon rate structure for all collaborative degree programs.
4. Establish and enforce new definitions for course and program fees. Consider developing a differential tuition rate for certain academic programs rather than embedding these rates into either course or program fees.
5. Maintain existing unified fees, but rename the fee to a more descriptive name such as "Student Support Fee".
6. Examine all other fees for opportunities to simplify and make consistent across campuses.
7. Consider offering a block tuition rate at 15 (or 16 for UMF) credit hour rate for students taking 12-18 credit hours.

**State Allocation Model including Outcomes Based Funding**

1. Phase in adjustments to current campus base allocations over 2 year period in 2 steps:
  - a. assess the total 6-year 30% value of Outcomes Based Funding Formula in FY2018,
  - b. distribute \$3 million to campus based budgets, phased in fully over 3 years.
2. Develop a funding model based in part on one used in another university system. The Chief Business Officers (CBOs) will work with stakeholders to identify the metrics relevant to our System and those that will advance the goals established by the Board of Trustees.
3. Beginning in fiscal year 2019, new legislative appropriations will be allocated in a manner that provides parity across each campus as defined by the new budget funding model, as well as provide a pool of resources that would be available for System-wide strategic priorities.

4. Beginning in fiscal year 2021, and at least every 3 years after, the Chief Financial Officer will review the allocation model with the CBOs of each campus and recommend any modifications that may be necessary to the Chancellor and Board.
5. Tuition and Fee revenue should continue to be retained at the campus level to incentivize expansion of student access and encourage investments that focus on strategic campus strengths.
6. The CBOs are recommending the student financials team at each campus, working with 2 CBOs, explore opportunities for collaboration. The focus of the workgroup should be more consistent application of policy and procedures across the campuses.
7. The CBOs are recommending that the Vice Chancellor for Academic Affairs convene a group of stakeholders', including Chief Academic Officers, campus researchers, CBOs to review the current allocations for the distribution of Maine Economic Improvement Funds and make recommendations for any adjustments, if any, that might be necessary.

#### Institutional Aid/Waivers

1. Federal, need based and merit based financial aid should continue to be administered at the campus level.
2. Develop a prioritized list of areas for further service collaboration - FAFSA verification.
3. Complete an analysis of moving the two UMS header schools to trailer schools, including timeline and transition costs.
4. Improve student service and access to aid by pursuing universal on-line application protocols and tools.
5. Unrestricted and restricted funds raised by a campus, stay with that campus.
6. UMS campuses will coordinate institutional merit aid offered to in-state students to ensure equitable financial access to programs and campuses across the state.
7. UMS Enrollment Management Council should explore opportunities to support current collaborations across the campuses for marketing/public relations associated with affordability, access and the return on investment of degree attainment.
8. Encourage Financial Aid Directors, Institutional Research and Enrollment Managers to work together to consider goals for Expected Family Contribution and gap.
9. Work to develop a common methodology for calculating discount rates.

#### Unrestricted Net Position - Reserves

1. Grandfather each campus' total unrestricted net position balance (reserve balance) as of the Unified Budget implementation date.
2. Require the CBO's to review their campus' special reserves and designated balances between now and the Unified Budget implementation date to determine whether the balances are still needed or can be collapsed into the campus' E&G reserve.
3. Require that each campus build, establish, and maintain an E&G operating reserve account at 10% of adjusted E&G spending.
4. Each campus that has a reserve balance equal to 10% of E&G expenses would contribute 10% of future surpluses to a unified operating reserve to be used to build up the balances of a campus below 10%. 90% would continue to remain on campus.
5. Provide greater transparency for auxiliary operations through increased financial reporting.
6. Establish a working group to review auxiliary operations across the System, with a goal of addressing deficits and identifying opportunities for increased collaboration and sharing of best practices.

### Capital Budgeting and Planning

1. Formalize one-year capital plans into the annual budget process
2. Increase the Unified Fee across all campuses with the revenue designated for capital improvement at each campus
3. Establish a Capital Committee charged with reviewing requests made of the central pool and any potential bond funding.

**University of Maine at Machias Loan Forgiveness.** Dr. Rebecca Wyke, Vice Chancellor for Finance and Administration, explained that the University of Maine at Machias accumulated an unrestricted net position deficit balance of \$1,067,800 thru FY2009. With BOT approval, the System advanced an internal loan to the University of Maine at Machias for the amount of the accumulated deficit. At the time, an agreement was made to repay the loan beginning in FY2011, however, the University of Maine at Machias has not been able to make any payments. Several years ago, the System Treasurer set aside a reserve of \$1,067,800 of System net position as collateral against the loan in the event it could not be repaid. Forgiveness of the loan would close out the System's collateral reserve and increase the unrestricted net position for the University of Maine at Machias.

On a motion by Trustee Turner, which was seconded by Trustee Collins, the Finance/Facilities/Technology Committee agreed to forward this item to the Consent Agenda at the July 18, 2016 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees approves forgiveness of the internal loan to the University of Maine at Machias in the amount of \$1,067,800.

**University Bond Development Committee Update.** Vice Chancellor Wyke, Sponsor, Chip Gavin and Ryan Low, Co-chairs, provided an update on the University Bond Development Committee. A copy of the Committee's charter as approved by the Chancellor is below:

#### University Bond Development Committee Charter

The University Bond Development Committee is charged with developing the components of a major multi-year bond request for consideration by the Governor and the Legislature. The bond request will address the strategic, long-term investments needed in facilities, technology and infrastructure to sustain the campuses and advance public higher education in Maine.

In particular, the bond request will address:

- The information technology priorities addressed in the current 5-year Capital Projects Budget and outlined in the 2015 State of IT Report;
- The facilities and infrastructure needs addressed in the current 5-year Capital Projects Budget with a goal of improving the net asset value and density benchmarks outlined in the 2016 Sightlines Report; and
- Other facilities, technology and infrastructure projects deemed necessary to advance public higher education in Maine over the next decade.

The Bond Development Committee will consult with campus presidents and their leadership teams in the development of the bond request.

The Committee will convene immediately and will deliver a draft bond request for review by the Chancellor and the Board of Trustees by July 2016. Membership of the University Bond Development Committee will be as follows:

Rebecca Wyke, Vice Chancellor for Finance & Administration, Sponsor  
Chip Gavin, Chief Facilities & General Services Officer, Co-Chair  
Ryan Low, Treasurer and Chief Finance Officer, Co-Chair  
Susan Hunter, President, UMaine  
Joe Szakas, Chief Academic Officer, UMA  
Dick Thompson, Chief Information Officer  
Ben Shaw, Chief Business Officer, UMPI  
Buster Neel, Chief Business Officer, USM  
Dan Demeritt, Executive Director of Public Affairs

**Land Swap and Disposal, UM.** Ms. Claire Strickland, UMaine Chief Business Officer, explained that the University of Maine System acting through the University of Maine is requesting approval to dispose of certain real property and acquire other real property which will result in a net decrease of acreage to the University and an increase in value, all of which is part of a larger Land for Maine's Future initiative to expand the Caribou Bog-Penjawoc Lands Project.

In particular, the University pursuant to Board of Trustee policies 801 and 802 seeks to: dispose of 139 Acre "Birmingham" parcel, located off of Poplar Street in Old Town, Maine, by donation, to Maine Department of Inland Fisheries and Wildlife (MDIFW); and receive in exchange 91 Acre "Lucien" parcel, located off of Colonial Drive in Old Town, Maine, with ROW to access from Kirkland Ave.

This request is one piece of the Land-for-Maine's-Future proposal, a larger plan proposal between the Maine Department of Inland Fisheries and Wildlife, Orono Land Trust and the University of Maine, to expand the Caribou Bog-Penjawoc Lands Project (Corridor Project), which endeavors to protect key ecological features and recreation values within an 18,000 acre area from Bangor north to Route 43 in Hudson.

The parcel the university proposes to dispose of is currently surrounded by MDIFW land and has no potential to generate timber harvest revenue due to lack of access and the fact that most of the property is wetland. The 139 acre property was appraised in March of 2011 by Sewall Co. and valued at \$20,000.

The "Lucien" parcel the university proposes to acquire is adjacent to the university forest managed Smith Farm. The 82 acre parcel has a timber resource that will generate periodic income over the long term, will include access through a Right of Way to Kirkland Rd. and will provide an additional access option to the back of the contiguous Smith Farm property. This property was appraised at \$90,000 in May of 2016.

The exchange in land will result in a net reduction of approximately 48 acres to the University of Maine System and an increase in potential revenue. The ongoing maintenance costs are expected to be a net decrease due to the smaller size and more accessible location. These costs are currently and will continue to be covered by the College of Natural Sciences, Forestry, and Agriculture and University Forest Office.

The cost for these transactions is expected to be confined to the cost of the appraisals and any other legal fees necessary. The LMF Board will review the project in early summer and the final transaction should occur during late summer or early fall. Board Policy 801, 802 and APL II-F and APL II-G require Board approval for any acceptance of gifts of real property or disposition of real property. Upon final review of the title by legal counsel and approval by the Treasurer, the University requests Board approval of this property transaction.

On a motion by Trustee Johnson, which was seconded by Trustee Turner, the Finance/Facilities/Technology Committee agreed to forward this item to the Consent Agenda at the July 18, 2016 Board of Trustees meeting for the following resolution:

That the Board of Trustees approves the recommendation of the Finance/Facilities/Technology Committee to dispose and acquire of certain real estate as described in the Agenda Item Summary subject to review and approval by General Counsel and the University Treasurer of all final terms and conditions.

**Real Property Acquisition, UMF.** Ms. Laurie Gardner, UMF Chief Business Officer, explained that the University of Maine at Farmington is requesting to acquire certain real property located at 129 Perkins Street in Farmington with the intention of removing it by demolition for green space. The demolition pursuant to University policy would be subject to approval of the University Treasurer and the Treasurer has indicated that approval is and would be granted.

The land and dwelling in question is a Cape Cod style home located on 0.16 acres. It is bordered by Perkins Street and the University of Maine at Farmington. It is located in the midst of the residential housing area on campus. It is not of sufficient condition for use by the University.

This property is one of two privately owned properties located in the center of campus and its removal is integral to UMF's emerging campus master plan. The wood framed structure, built in 1977 is approximately 1,152 square feet with 1.5 levels, a basement and an attic. The agreed upon purchase price for the property is \$88,667. Initial estimates for the abatement, demolition and ground restoration to a level seeded lot totals approximately \$12,000. The total project cost, including restoration, is not expected to exceed \$101,000. The cost of this work will be funded from University of Maine at Farmington resources to be identified by the Chief Business Officer and Treasurer.

This acquisition will result in a net increase in the gross square footage of the University but only temporarily until the facility can be removed. It will not be occupied or used by the University.

Board Policy 801 and APL II-G require Board approval of any purchase of real property. That policy and the temporary increase in square footage that would result from the acquisition are the matters before the Committee for consideration. The demolition and anticipated expenditures, per Board policy, do not require Trustee consideration or action. The property is assessed by the municipality at approximately \$90,000. The appraisal of the property conducted by a licensed appraiser is \$88,000.

On a motion by Trustee Collins, which was seconded by Trustee Turner, the Finance/Facilities/Technology Committee agreed to forward this item to the Consent Agenda at the July 18, 2016 Board of Trustees meeting for the following resolution:

That the Board of Trustees approves the recommendation of the Finance/Facilities/Technology Committee to authorize the purchase of certain real property located at 129 Perkins Street, Farmington, Maine, subject to review and approval by General Counsel and the University Treasurer of the final terms and conditions.

**Lease Continuation, UMPI.** Mr. Ben Shaw, UMPI Chief Business Officer, explained that the University of Maine at Presque Isle is requesting the continuation of existing but expiring leases with RSU 29/MSAD 70 and Northern Maine Community College pursuant to Trustee policy 801 which requires Trustee consideration of leases of more than 5 years in length. Both leases are with organizations which provide educational programs at the Houlton site. In each case the University is the lessor and the other party is the lessee. There is no increase in the amount of space being leased by the University. The location of both leases is the Houlton Higher Education Center, 18 Military Street in Houlton, Maine.

The terms of these agreements are:

- Lease with Adult Education RSU 29/MSAD 70, includes office space, rooms 132 and 133 as well as a dedicated classroom space, room 111. The annual rent will be \$6,000 to be paid in two installments. The lease term is July 1, 2016 to June 30, 2020, with the opportunity for two additional five year extensions for a total duration of up to 15 years and a total rent revenue for the University of up to \$90,000.
- Lease with Adult Education Northern Maine Community College, includes office space, room 131 as well as a dedicated classroom space, room 123. The annual rent will be \$3,000 to be paid in two installments. The lease term is July 1, 2016 to June 30, 2020, with the opportunity for two additional five year extensions for a total duration of up to 15 years and a total rent revenue for the University of up to \$45,000.

On a motion by Trustee Turner, which was seconded by Trustee Collins, the Finance/Facilities/Technology Committee agreed to forward this item to the Consent Agenda at the July 18, 2016 Board of Trustees meeting for the following resolution:

That the Board of Trustees approves the recommendation of the Finance/Facilities/Technology Committee to authorize the leasing of space with the University of Maine System acting through the University of Maine at Presque Isle as the lessor to various lessees as described in this agenda sheet, subject to the review and approval of General Counsel and University Treasurer of all final terms and conditions.

**Art Gallery Renovation, USM.** Mr. Buster Neel, USM Chief Business Officer, explained that the University of Southern Maine is requesting approval to expend an additional \$150,000 for historic preservation renovations at the Art Gallery building on the Gorham campus.

This update to this project and its funding was part of the 1-year FY2017 capital work plan at USM that was submitted and discussed as part of the Trustees' recent review and consideration of the FY2017 budget. This update to the project will bring the total project cost to \$557,192.50, which requires Trustee or Committee consideration.

The building is approximately 2,500 square feet and is used as Art Gallery space. The project has been about fundamental repairs to the building envelope and structure of this facility, which is in the

National Register of Historic Places, in order to secure its future. The project was prompted in part by active water infiltration in the building.

In the course of the project, the Maine Historic Preservation Commission advised the details of the project were jeopardizing the building's historic status. This current request seeks to address those concerns and to avoid the building being removed or de-listed from the historic register.

The current request would include, in particular: restoring the existing historical windows, which the University has saved and stored; adding historically accurate shutters; and, replacing the base of the columns on the building which has been repaired structurally but now would be made also consistent with historic preservation standards.

The University in the course of this project also has worked with the Commission to make more clear the University's commitment to and requirements for historic preservation. For example, the University's procedures now contain this provision: "If this agreement involves a structure listed in the National Register of Historic Places or a structure within a designated historic zone, its design and implementation shall be done in compliance with the U.S. Secretary of the Interior's Standards for Rehabilitation as applicable. Plans for such projects shall be made available by the Architect to the Maine Historic Preservation Commission for the Commission's review and comment. Projects to which Historic Preservation requirements apply may be exempted from the provision only if done so explicitly in writing by the owner."

This project started with its original scope in 2013. The current estimated completion if this updated scope if approved would be 2017. The Art Gallery has a Sightlines net asset value of 70 percent. The funding for the project is from University of Southern Maine E&G resources. This matter is within the purview of the Finance/Facilities/Technology Committee and does not require further consideration by the full Board of Trustees.

On a motion by Trustee Collins, which was seconded by Trustee Turner, the Committee tabled this recommendation to allow the campus more time to provide additional information. The recommendation will be presented to the Finance/Facilities/Technology Committee at a later date.

**Preliminary 5-Year Capital Projects Plan – Facilities.** Mr. Gavin presented an overview of the facility-focused preliminary 5-year Capital Plan FY2017 through FY2021 which covers all campuses and seeks to move toward Trustee approved goals. The Plan is anticipated to evolve as campuses complete the master planning process. The total for facilities is \$540 million with 88% as unmet need and unfunded with 12% as funded. Of the 12% that is funded, it is allocated for FY2017.

Approximately 82% of the investment is targeted for current facilities; approximately 2.5% is targeted for disposal by demolition of facilities; approximately 70% of the investment targets facilities with a net asset value of less than 70%. Of the overall investment approximately 68% is focused on E&G facilities and approximately 32% is focused on auxiliary facilities.

Of the projects that are currently funded, approximately \$27 million is coming from operating budgets and the remainder is coming from other sources like restricted gifts, transfers from reserves, money already in capital funds, state bonds, fund raising, grant resources and other types of resources.

It is anticipated that over a five year period, the UMS would get to a 63% net asset value with this investment. Getting to the benchmark percentage of 70% net asset value could be reached over a ten

year period if this type of investment continues. The UMS will be reducing the renovation age of the facilities portfolio. The impact on density would be at least neutral and possibly positive; however, the impact on density is less clear at this stage.

Trustee Fournier asked if the campuses are going to prioritize their projects. Mr. Gavin responded by stating the campuses have already prioritized the projects and will continue to prioritize the projects with the funding sources. Professor Miles requested that the classroom renovations be the highest priority. Trustee Collins requested that the square footage be added to the chart for those projects designated for demolition.

**Capital Project Status Report.** Mr. Gavin presented the Capital Project Status Report which reflects a total of 20 projects. The University of Southern Maine Central Heat Plant Replacement (6100195) is completed and has been removed from the report.

This report also reflects increased budgets for two projects as authorized by Trustees. The UM project for Advanced Structures and Composites Center Expansion (5100316/5100414) has been authorized for an additional \$1.5 million thanks to a gift from the Harold Alfond Foundation. Also, the USM Science Building Lab Upgrade (6100240) has been updated by Trustees to authorize expenditures up to \$770,000. Both changes were approved at the May 2016 meetings of the committee and full Board as required.

Two projects are reporting expenses slightly greater than 100 percent of the Board authorized maximum. In both cases the issues are being resolved in compliance with Board policy and those updates will be reflected in future reports.

**Review of Information Technology Projects with a Value of \$250,000 or Greater.** Mr. Richard Thompson, Chief Information Officer, provided information on the following projects with a value of \$250,000 or greater:

#### Classrooms for the Future

The Classrooms for the Future project team has created an informative slideshow and presentations have taken place at USM and UMA. The project team has developed a brochure depicting samples of rooms with equipment, and the team has also developed current standards for equipment in each of the classrooms. A spreadsheet has also been created for recording the most problematic rooms on each campus.

Now that the funding has been secured, the team has begun the planning phase of the project. The first two rooms scheduled for major renovations are Neville 101 and 202 Shibles at UMaine. The vendor is in the process of providing a quote for work to be performed in both classrooms.

The risks for this project include the renovations and improvements to classrooms are limited to summer and school breaks. In addition, vendors need advance notice to schedule larger renovations due to the competitive nature of this work and the lead time for ordering equipment. There is also a challenge related to obtaining faculty input on classrooms since most faculty will not return until Fall 2016.

#### MaineStreet Improvements

With most faculty and students away for the summer, we will meet with campus leadership to gain their perspectives on how the project can best affect faculty and student experience and support One

University initiatives. We will also explore ways to engage with faculty and students shortly after the fall semester starts to collect their input about how to improve their MaineStreet experience.

We recently viewed product demonstrations with IntraSee and GreyHeller, companies that specialize in enhancing PeopleSoft's user experience. They provide tools to help institutions enhance and streamline the PeopleSoft user experience without the need for direct customizations, along with enabling mobile access. The next step is to develop solution objectives and requirements that will be used during an RFP process.

#### Data Center Capacity and Security

Box.com implementation planning has begun. A centralized logging solution that was purchased in the Fall 2015 is being tested to determine hardware needs. The Server will be installed once hardware capacity is determined. The 2nd of two legacy storage arrays previously servicing USM has been removed from production with storage needs now being met using new storage system purchased in the Fall 2015. The only risk for this project is the lack of staffing.

#### Facilities Software Project – IWMS

All core functionality of the AiM integrated work management system is in active use at all campuses. Current effort is focused on supporting UMaine's efforts to closeout all work orders in the MP2 legacy system, to store MP2 data in an alternative database to support future reporting needs, and to decommission MP2. Work is also underway to close the implementation project and the project budget by 6/30/16.

#### Residence Hall Wireless – USM

The network installation in Woodward Hall will be complete by mid-June and Anderson Hall will be completed by the end of June. Installation has begun in Robie-Andrews and will continue through much of the summer in coordination with other facilities management projects and summer resident camps. Currently contractors are conducting asbestos abatement in Upton-Hastings. The cabling contractor will begin work as soon as the abatement is complete. Installation in this building will take several weeks and will continue into August. All electronics are on-site and have been pre-programmed pending installation. Final estimates are due by June 1 for outside fiber installations between buildings. An engineering firm is designing HVAC systems for the data closets. Their design is due by June 10 and installation bids will be sought base on the design work.

The risks for this project are the needed facilities work may be more than anticipated if we encounter issues such as asbestos abatement or other construction problems. We have already discovered and mitigated several such issues but others could arise as the project continues. Given the short time that we have access to student rooms, any delay in labor availability is a major risk. Contractors will need to be scheduled well in advance and backup labor should be in place to mitigate the possibility of illness or personal emergencies.

#### UMS Wireless Infrastructure

While a level of infrastructure and wireless service analysis was completed prior to the State of IT report, a detailed survey of every UMS facility is currently underway to determine the precise needs and challenges in each building. This data along with input from stakeholders will determine project priorities and timelines. Completion of the survey is planned for mid-summer.

The risks for this project include the following:

- A risk to perceived success is unreasonable stakeholder expectations. Although a ubiquitous system-wide upgrade is needed, this project will only partially meet that need given the constraints of limited resources (schedule, budget, staffing, construction limitations, and coordination with other campus resources).
- Many buildings have network infrastructure that will need to be upgraded before new wireless networks can be installed. In some cases, this may include new fiber installation and/or the need for facility renovations.
- The phased funding approach will necessitate maintaining two separate WiFi networks on most if not all campuses driving up the ongoing operational costs and efforts for US:IT while creating inconsistent wireless service levels building to building on the campuses.
- There are a large number of factors and variables that will affect this project's timeline. There are other sizeable projects taking place at the same time. Another factor affecting the timeline will be the coordination among involved entities in setting priorities and timing.

#### VoIP (Telecommunications) for UMaine

The 3<sup>rd</sup> party remote support for the legacy phone system was extended to Dec. 2016. Courtesy phones have been installed in the dormitories. Building rewiring is in progress in Chadbourne Hall, Fogler Library, Rogers Hall and Bennett Classroom wing. The building wiring is completed in Bennett Hall (main building). The phone deployment is in progress in Nutting Hall. The phone deployment is completed in Aubert Hall and Murray Hall. The Engineering/design for the re-wiring of the following buildings is queued up with the contractor: Service Building A (Shop Area), the Service Building B (Garage), the Roger Clapp Green House and the HVAC Building.

The risks for this project include lack of staffing, delays in equipment installation, delays in re-wiring buildings and delays in Facilities Management completing work orders. An additional risk is the inability to fill open positions due to compensation well below market.

**State of IT Project Implementation.** Mr. Thompson provided an update on activity identified in the State of IT Report, including campus engagement, activities within each of the major sub-projects and progress on staffing to improve support capability and capacity.

#### Wireless Upgrade

The original estimated budget in the State of IT report was based on the number of existing access points, network room upgrades and necessary wiring to accomplish the improvements. Any new locations will remain the responsibility of the campus should expansion be desired. A mathematical proportion from the original State of IT budget applied against the partial funding we now have available results in allocations by campus.

#### Classrooms for the Future

This is an area of keen interest to leadership at each campus and there is significant discussion about how to be innovative and planful, including the engagement of faculty. Early investments needed to achieve the greatest value to the campus and significant prioritization must occur.

The allocation strategy is based on a 5 year average of credit hours, allowing a reasonable mechanism to allocate funding to support innovations, improve existing systems and allow for various learning methodologies to impact prioritization and design.

Set Aside

The allocation strategy sets aside Phase I funds at 25% of the total wireless and classroom investments to cover APRIP/program integration, project management resources, or any contingency necessary over the life of the projects. The plan is to *use this set aside* to address these costs as they occur. Any amount not used for these purposes would be ultimately redistributed to the campuses in a similar distribution mechanism to that which is proposed above.

**PROPOSED STATE OF IT INVESTMENT ALLOCATIONS**  
**Phase I - Wireless & Classrooms**

<b>TOTAL PROJECT FUNDING - Phase I</b>	<b>\$18,795,000</b>
<b>SET ASIDE FUNDING - 25%</b>	<b>(4,698,750)</b>
<b>AVAILABLE TO CAMPUS/ENTITIES</b>	<b><u>\$14,096,250</u></b>

<b>WIRELESS</b>	<b>Total (Phase I &amp; II)</b>	<b>%</b>	<b>\$10,500,000 Total (Phase I)</b>
UMAINE	\$6,247,470	25.8%	<b>\$2,709,000</b>
UMA	1,196,995	5.0%	<b>525,000</b>
UMF	3,120,675	12.9%	<b>1,354,500</b>
UMFK	790,750	3.3%	<b>346,500</b>
UMM	878,710	3.6%	<b>378,000</b>
UMPI	1,099,135	4.6%	<b>483,000</b>
USM	10,840,210	44.8%	<b>4,704,000</b>
Total	\$24,173,945	100.0%	<b>\$10,500,000</b>

<b>CLASSROOMS</b>	<b>5-YR Total Credit Hours</b>	<b>%</b>	<b>\$3,596,250 Total (Phase I)</b>
UMAINE	1,344,234	39.5%	<b>\$1,420,518</b>
UMA	458,867	13.5%	<b>485,494</b>
UMF	292,043	8.6%	<b>309,278</b>
UMFK	130,171	3.8%	<b>136,658</b>
UMM	84,735	2.5%	<b>89,906</b>
UMPI	138,460	4.1%	<b>147,446</b>
USM	954,408	28.0%	<b>1,006,950</b>
Total	3,402,917	100.0%	<b>\$3,596,250</b>

On a motion by Trustee Turner, which was seconded by Trustee Donnelly, the Finance/Facilities/Technology Committee agreed to forward this item to the Consent Agenda at the July 18, 2016 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees confirms approval of the Phase I State of IT projects to improve MaineStreet, upgrade wireless infrastructure and classroom technologies in an amount not to exceed \$22,000,000 from funds to be determined by the University of Maine System Treasurer.

**5-Year Capital Projects Plan – Technology.** Mr. Thompson presented an overview of the Information Technology 5-Year Capital Plan FY2017 through FY2021 covering major information technology needs across the University of Maine System.

The preliminary 5-year capital plan for US:IT over the five years includes the follow:

Regional Optical Network	\$ 1,500,000
Regulatory/Compliance	\$ 1,073,000
Operational Excellence	\$57,813,445
Strategic	<u>\$ 2,470,000</u>
<b>Total FY2017-2020 Working Capital Plan for IT</b>	<b>\$62,856,445</b>

The total funded investment is \$18,600,000 and the total unfunded is \$44,256,445. The unfunded amount would be eligible for bond funding.

**Response to Citizen Comments – Operational Concerns.** Mr. Gavin and Mr. Thompson responded to the operational concerns expressed during Citizen Comment at the Board of Trustees Meeting on May 23, 2016 regarding the One University initiative. Vice Chancellor Wyke stated that she and the Chancellor meet with representatives from each bargaining unit every other month. They suggested the faculty use these meetings to raise concerns instead of the three minute opportunity at the Board meetings. This will provide more time to discuss the concerns and develop solutions.

#### US:IT

Mr. Thompson stated that they appreciated the feedback from the faculty. US:IT continues to engage the faculty for their input. Mr. Fred Brittain, Associate Chief Information Officer, (who supports the following campuses: UMF, UMPI and USM) spoke about the concern raised when contacting the US:IT tech support unified help desk. Ms. Cindy Mitchell, Associate Chief Information Officer, (who support the following campuses: UM, UMM, UMFK) spoke about the concern raised from cooperative extension regarding IT support.

#### Facilities/Administrative Services

Mr. Gavin commented that his group takes the concerns raised very seriously and they have provided outreach to those who raised concerns during the Citizen Comment regarding issues with the Concur Travel and Expense Management System. They continue to offer training to faculty and staff and encourage feedback.

Adjournment.

Ellen Doughty for  
Tracy B. Bigney, Clerk of the Board