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## **FY18 Preliminary Education & General Budget Discussion**

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# FY18 Preliminary Education & General Budget Discussion

January 25, 2017

**Jeffrey E. Hecker**, *Executive Vice  
President for Academic Affairs & Provost*

**Susan J. Hunter**  
*President*

**Claire Strickland**  
*Chief Business Officer*

# Agenda



- Key Principles in Decision Making
- FY18 Budget Cycle
- Admissions Update
- Budget Levers
- Target Cuts & Strategic Investments
- Questions / Discussion
- UMaine / UMM update
- Questions / Discussion

As presented  
on Nov. 15, 2016

# Key Principles in Decision Making

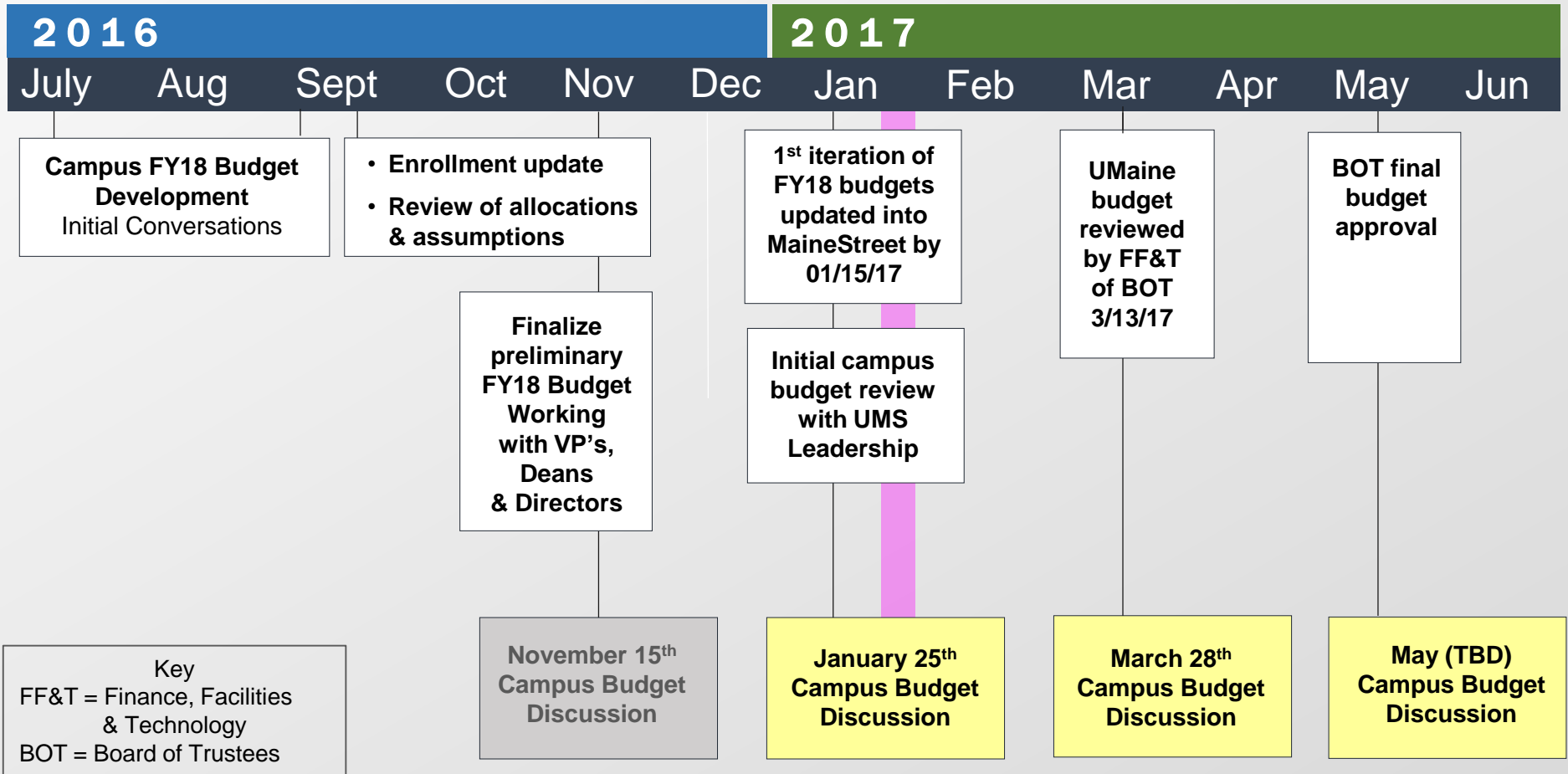


- Principles and process will be transparent
- Feedback/input will be encouraged throughout the budget development process
- Advances UMaine's strategic priorities
- Balances the need for investments in key areas with the need for a balanced budget



# Budget Cycle

## UMaine Fiscal Year 2018 (July 1, 2017 through June 30, 2018)

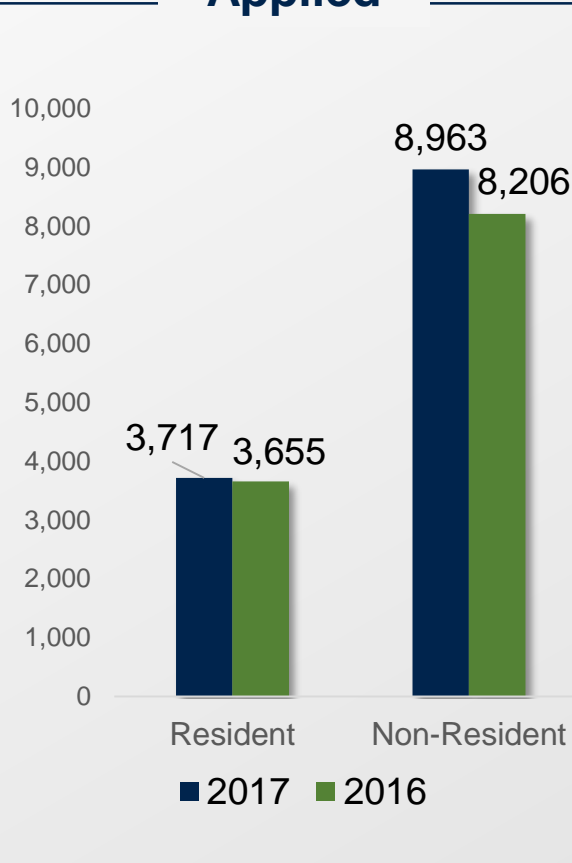


# Fall 2017 Admissions Report

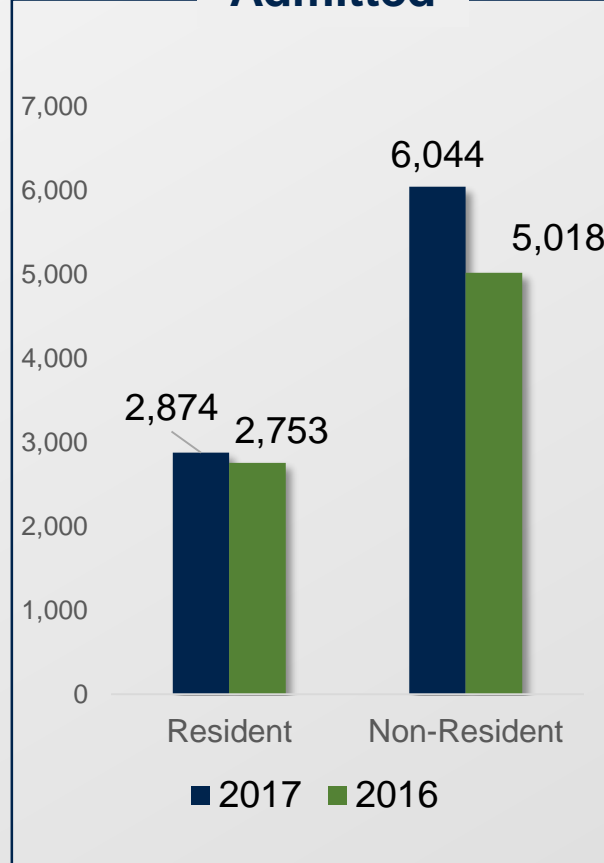


*As of January 20, 2017*

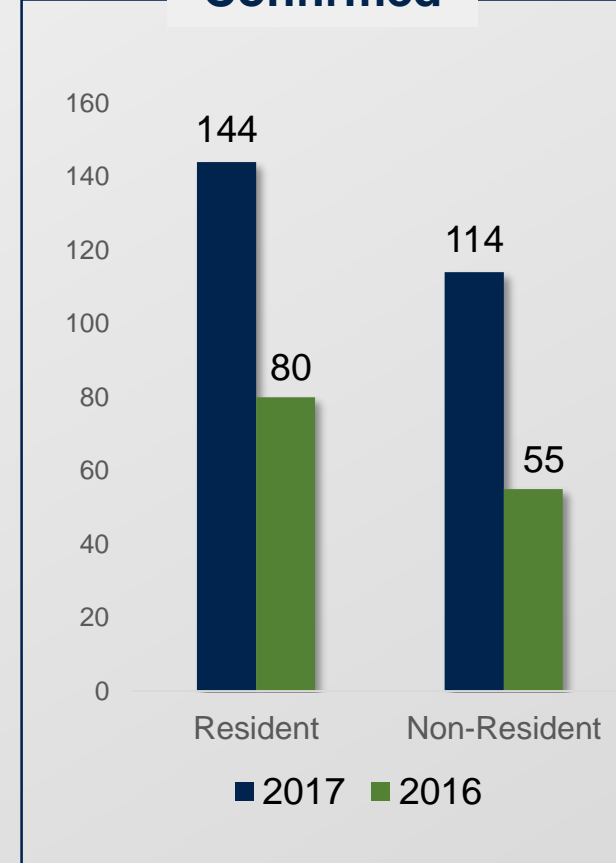
## Applied



## Admitted



## Confirmed



As presented  
on Nov. 15, 2016

# FY18 UMaine Budget Levers



## FY2018 Budget Levers

### NON-DISCRETIONARY

#### Tuition & Fees

- ↑ In-State & Out-of-State Increase
- ↑ State Mandated Waivers
- ↑ Increase in Unpaid Student Accounts

#### State Appropriation

#### Compensation

- ↑ Salary & Wage Negotiated Increases
- ↑ Employee Salary & Wage Benefits

#### Operational Increases

- ↑ Facility Insurances
- ↑ University Shared Services
- ↑ Required Increase in Capital Funding

### STRATEGIC

#### Tuition & Fees

- ↑ Enrollment Adjustments
- ↑ Scholarship Increases (Including Flagship Match, Need Based, Maine Match, Top Scholars, etc.)

#### Strategic Investments

- ↑ Academic Investments
- ↑ Student Affairs Investments
- ↑ Transitioning of Academic One-time Positions to Base
- ↑ Admissions Enrollment Efforts
- ↑ Facilities/Capital Investments/Utilities
- ↑ Library Acquisitions
- ↑ Graduate Teaching Assistant Stipend Increase

Revenue

Revenue

Expense

Expense



# FY18 UMaine Budget Levers

## NON-DISCRETIONARY

**Tuition & Fees**

- In-State & Out-of-State Increase
- State Mandated Waivers
- Increase in Unpaid Student Accounts

**State Appropriation**

Revenue

## STRATEGIC

**Tuition & Fees**

- Enrollment Adjustments
- Scholarship Increases (Including Flagship Match, Need Based, Maine Match, Top Scholars, etc.)

Revenue

Tuition 2.6%	
NEBHE-CAN/160% of In-State	\$3,689,366
State Mandated Waivers	(395,763)
Increase in unpaid student accounts	<u>(100,000)</u>
	\$3,193,603
Unified Fee Increase – 2.6%	406,000
New State Appropriation	263,756
<b>Net Incremental Revenue</b>	<b>\$3,863,359</b>

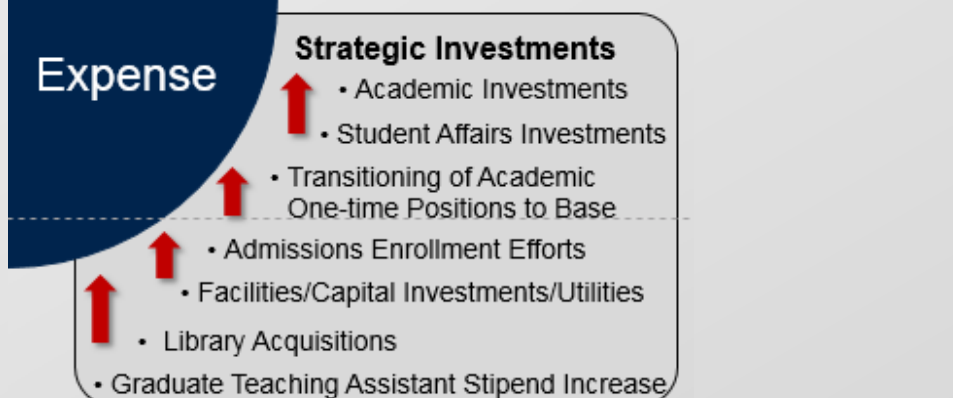
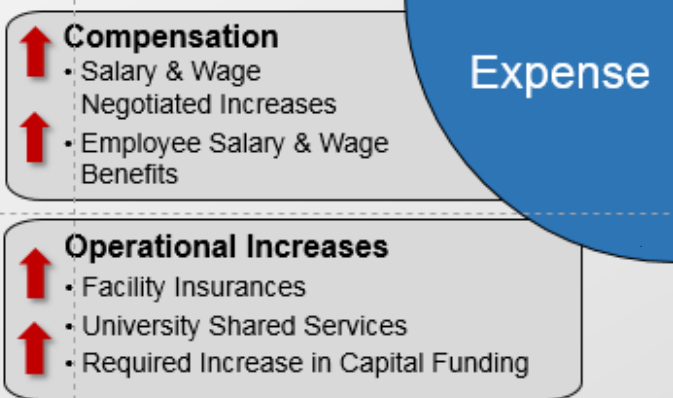
Enrollment Adjustments	\$7,403,777
Scholarship Increases	
Including Flagship Match	
Need Based, Maine Match,	
Top Scholars, etc.	(3,175,000)
<b>Revenue Increases/Decreases</b>	<b>\$4,228,777</b>



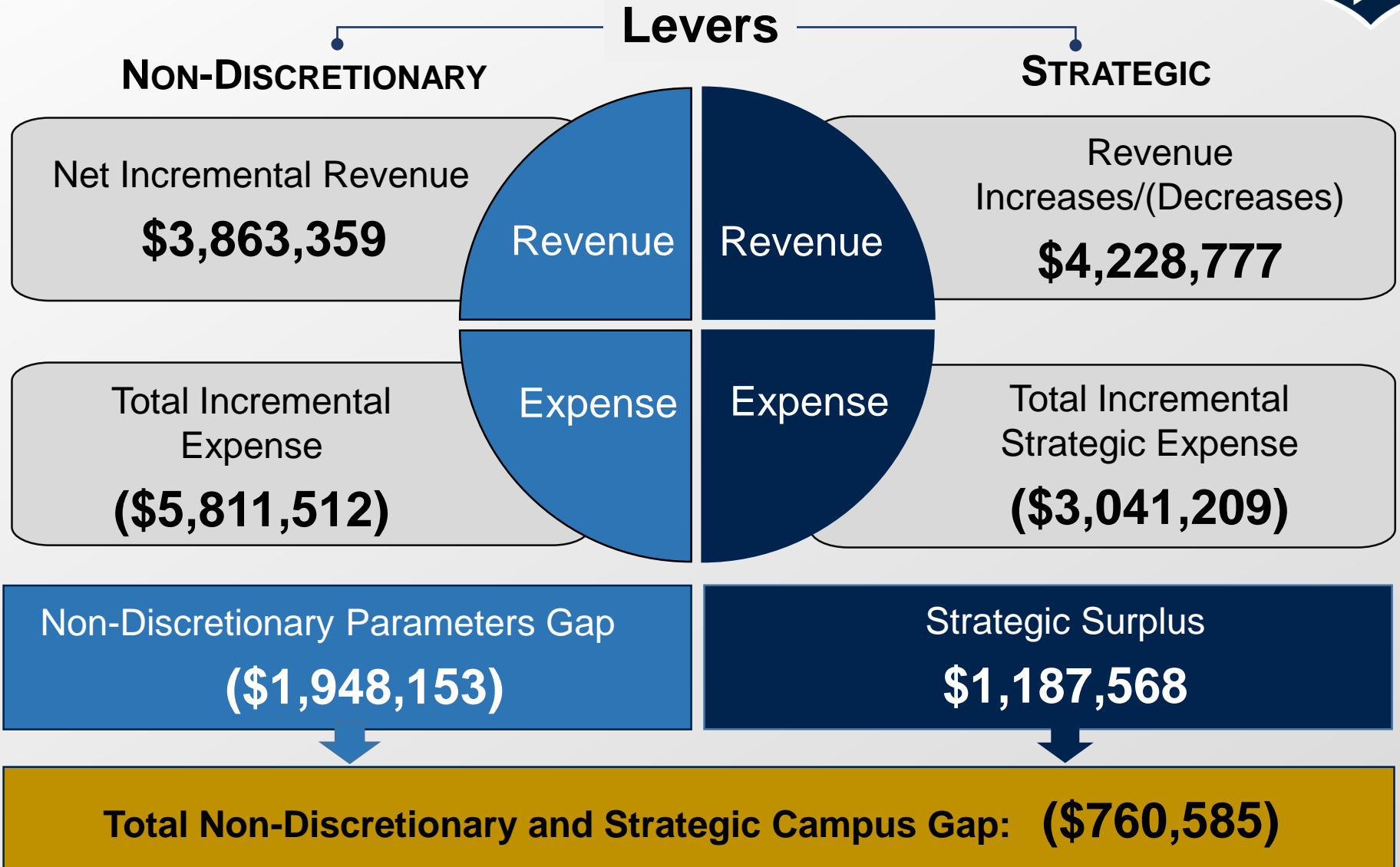
# FY18 UMaine Budget Levers

Compensation (incl. benefits)	\$4,548,015
Facility Insurances	(40,873)
Shared Services (change in exist.)	758,837
New Shared Services	300,533
Increase in Capital Funding (3.5%)	245,000
<b>Total Incremental Expense</b>	<b>(\$5,811,512)</b>

Academic Investments	\$1,167,528
Transitioning of Academic One-Time Positions to Base	400,389
Academic Partner Accommodation	99,450
Admission/Enrollment Efforts	250,000
Library Acquisitions	350,000
Graduate Teaching Asst. Stipend	200,000
Classroom Equipment Replacement Fund	50,000
Student Affairs Investments	150,000
Maintenance & Repair of Facilities	250,000
Adjustments for Admin. Hires	100,000
Other	23,842
<b>Total Incremental Strategic Expense</b>	<b>(\$3,041,209)</b>

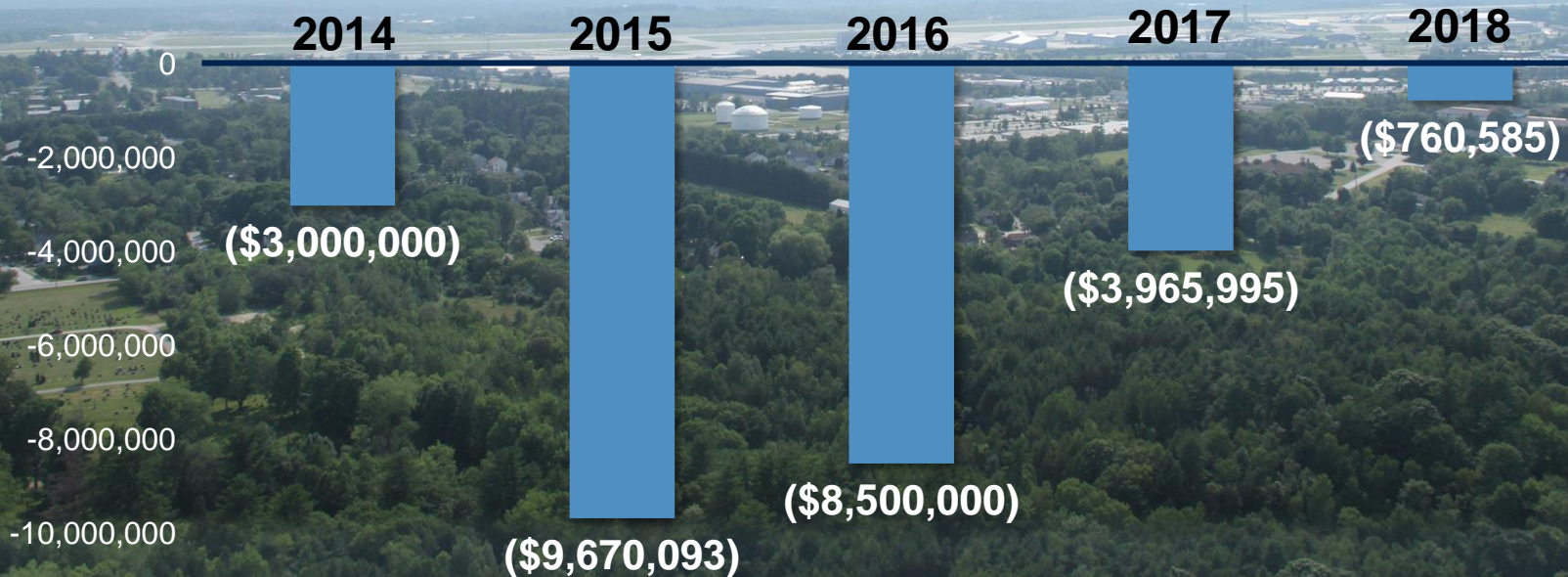


# FY18 UMaine Budget Levers





# 5-Year Net Revenue/Expense Gap History\*



\* Net gap figures include mandated costs and investments in strategic priority areas.



# Target Cuts to Cover FY2018 E&G Gap

**FY17 Base Budget of \$253.4M**

VP Academic Affairs	\$ 603,506
VP Research & Dean of Graduate School	34,854
VP Student Affairs	26,500
Chief Business Officer	49,725
Presidential Areas	31,000
• Athletics	15,000
<b>Total Gap</b>	<b>\$ 760,585</b>

# FY18 Net Proposed Incremental Summary



## University of Maine

### FY2018 Net Proposed Incremental Summary

		Strategic Investments	Transition One-Time	Share of Cut	Net Budget Adjustments	Net FTE Adjustments
Provost						
	College of Education & Human Development	\$0	\$88,740	(\$145,046)	(\$56,306)	(3.25)
	College of Engineering	\$504,900	\$105,175	\$0	\$610,075	5.00
	College of Liberal Arts & Sciences	\$114,750	\$206,474	(\$214,999)	\$106,225	2.09
	Maine Business School	\$370,107	\$85,833	\$0	\$455,940	3.00
	College of Natural Sciences, Forestry & Agriculture	\$136,170	\$0	(\$194,847)	(\$58,677)	(0.50)
	Division of LifeLong Learning	\$0	\$0	(\$32,140)	(\$32,140)	(0.40)
	University of Maine Cooperative Extension	\$55,218	\$0	\$0	\$55,218	0.50
	Provost (Other Areas)	\$650,000	\$0	(\$16,474)	\$633,526	0.00
	<b>Provost Total:</b>	<b>\$1,831,145</b>	<b>\$486,222</b>	<b>(\$603,506)</b>	<b>\$1,713,861</b>	<b>6.44</b>
Vice President for Research and Graduate School		\$200,000	\$0	(\$34,854)	\$165,146	(0.24)
Vice President for Student Affairs		\$150,000	\$0	(\$26,500)	\$123,500	2.00
President						
	President's Areas	\$0	\$0	(\$31,000)	(\$31,000)	(0.08)
	Athletics			(\$15,000)	(\$15,000)	0.00
Chief Business Officer (Facilities)		\$495,000	\$0	(\$49,725)	\$445,275	0.00
	<b>Campus Total:</b>	<b>\$2,676,145</b>	<b>\$486,222</b>	<b>(\$760,585)</b>	<b>\$2,401,782</b>	<b>8.12</b>

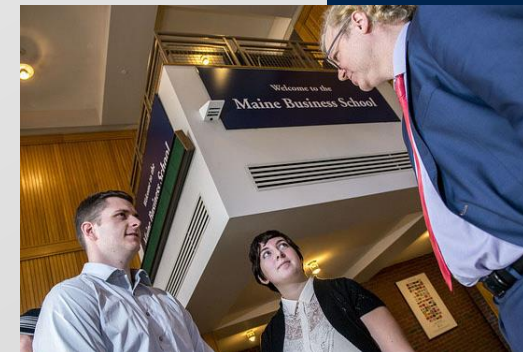
# Maine Business School



**FY17 base budget of \$5,074,042**

<u>Adjustments</u>	<u>Amount</u>	<u>FTE</u>
<b>Strategic Investment</b>	<b>\$370,107</b>	<b>2.00</b>
Assistant Professor of Marketing Assistant Professor of Finance		
<b>Transition Positions from One-Time</b>	<b>85,833</b>	<b>1.00</b>
Lecturer in Management		
<b>Share of Cut Target</b>	<b>0</b>	<b>0.00</b>
<b>NET Adjustment</b>	<b>\$455,940</b>	<b>3.00</b>

*Position totals include benefits*





# College of Natural Sciences, Forestry & Agriculture

FY17 base budget of \$25,535,599

Adjustments	Amount	FTE
<b>Strategic Investment</b>	\$136,170	1.50
Asst. Prof. of Earth and Climate Sciences (Partner Accommodation)		
Nutrition Lecturer & Director of Dietetic Intern Program		
<b>Transition Positions from One-Time</b>	0	0.00
<b>Share of Cut Target</b>	(194,847)	(2.00)
Vacancies		
Resignations/Retirements		
<b>NET Adjustment</b>	<b>(\$58,677)</b>	<b>(0.50)</b>



*Position totals include benefits*

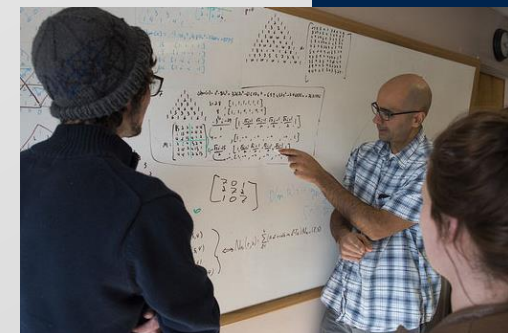
# College of Liberal Arts & Sciences



**FY17 base budget of \$27,050,945**

Adjustments	Amount	FTE
<b>Strategic Investment</b>	<b>\$114,750</b>	<b>1.00</b>
Stephen King Professorship		
<b>Transition Positions from One-Time</b>	<b>206,474</b>	<b>2.60</b>
Teaching Associate/Lab Supervisor (Chemistry)		
Asst. Prof. of Mathematics & Statistics		
Asst. Prof. of Mathematics & Statistics		
Director of Operations (VEMI Lab)		
Lecturer in Physics		
<b>Share of Cut Target</b>	<b>(214,999)</b>	<b>(1.51)</b>
Vacancies		
Resignations/Retirements		
<b>NET Adjustment</b>	<b>\$106,225</b>	<b>2.09</b>

*Position totals include benefits*





# College of Engineering



FY17 base budget of: \$12,683,610

Adjustments	Amount	FTE
<b>Strategic Investment</b>	<b>\$504,900</b>	<b>4.00</b>
Bioengineering Professor of Practice		
Asst. Professor of Mechanical Engineering		
Asst. Professor of Civil Engineering		
Asst. Professor of Construction Eng. Tech.		
<b>Transition Positions from One-Time</b>	<b>105,175</b>	<b>1.00</b>
Lecturer in Bioengineering		
<b>Share of Cut Target</b>	<b>0</b>	<b>0.00</b>
<b>NET Adjustment</b>	<b>\$610,075</b>	<b>5.00</b>



*Position totals include benefits*

# College of Education & Human Development



FY17 base budget of \$7,157,752

Adjustments	Amount	FTE
<b>Strategic Investment</b>	\$ 0	0.00
<b>Transition Positions from One-Time</b>	88,740	1.00
Asst. Professor of Teaching and Learning		
<b>Share of Cut Target</b>	(145,046)	(4.25)
Vacancies (Adjunct)		
End of Appointment		
<b>NET Adjustment</b>	<b>(\$56,306)</b>	<b>(3.25)</b>



*Position totals include benefits*



# Division of LifeLong Learning

FY17 base budget of \$9,121,185

Adjustments	Amount	FTE
Strategic Investment	0	0.00
Transition Positions from One-Time	0	0.00
Share of Cut Target	(\$32,140)	(0.40)
<b>NET Adjustment</b>	<b>(\$32,140)</b>	<b>(0.40)</b>



# Cooperative Extension

FY17 base budget of \$9,096,191

Adjustments	Amount	FTE
Strategic Investment	\$55,218	0.50
Asst. Ext. Prof./Plant Pathology Specialist (50%)		
Transition Positions from One-Time	0	0.00
Share of Cut Target	0	0.00
<b>NET Adjustment</b>	<b>\$55,218</b>	<b>0.50</b>



*Position totals include benefits*

# Provost Other Areas



**FY17 base budget of \$26,840,579**

<b>Adjustments</b>	<b>Amount</b>	<b>FTE</b>
<b>Strategic Investment</b>		
Library Acquisitions	\$350,000	0.00
Enrollment Management	250,000	0.00
Classroom Equipment	50,000	0.00
<b>Transition Positions from One-Time</b>	0	0.00
<b>Share of Cut Target</b>		
Marketing & Communications (operating)	(16,474)	0.00
<b>NET Adjustment</b>	<b>\$633,526</b>	<b>0.00</b>



# Vice President for Research & Dean of the Graduate School



**FY17 base budget of \$17,701,356**

<b>Adjustments</b>	<b>Amount</b>	<b>FTE</b>
<b>Strategic Investment</b>	<b>\$200,000</b>	<b>0.00</b>
Graduate Stipend Increase		
<b>Transition Positions from One-Time</b>	<b>0</b>	<b>0.00</b>
<b>Share of Cut Target</b>	<b>(34,854)</b>	<b>(0.24)</b>
Director Transition		
<b>NET Adjustment</b>	<b>\$165,146</b>	<b>(0.24)</b>



# Vice President for Student Affairs

**FY17 base budget of \$5,263,224**

<b>Adjustments</b>	<b>Amount</b>	<b>FTE</b>
<b>Strategic Investment</b>	<b>\$150,000</b>	<b>2.00</b>
Proposed Positions		
<b>Transition Positions from One-Time</b>	<b>0</b>	<b>0.00</b>
<b>Share of Cut Target</b>	<b>(26,500)</b>	<b>0.00</b>
Undergraduate Students Transitioning to Aux.		
<b>NET Adjustment</b>	<b>\$123,500</b>	<b>2.00</b>



# President\*



FY17 base budget of \$14,072,795

<b>Adjustments</b>	<b>Amount</b>	<b>FTE</b>
<b>Strategic Investment</b>	0	0.00
<b>Transition Positions from One-Time</b>	0	0.00
<b>Share of Cut Target</b>	(\$46,000)	(0.08)
President staff (transition to restricted funding)		
Athletics		
<b>NET Adjustment</b>	<b>(\$46,000)</b>	<b>(0.08)</b>



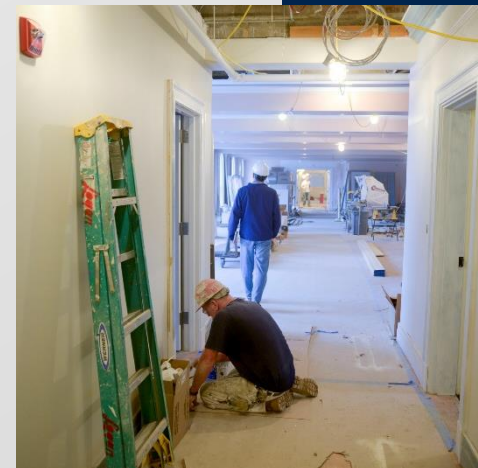
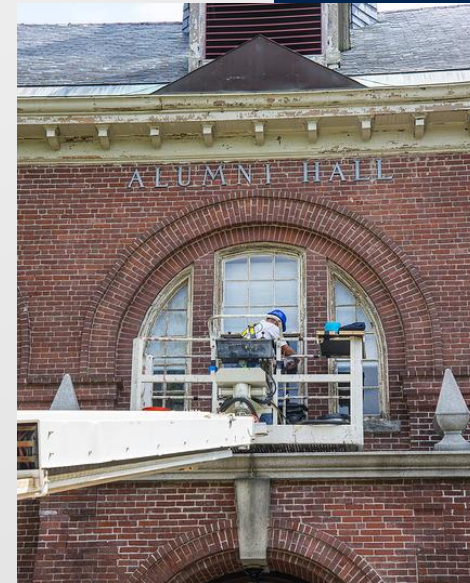
\* President's area includes: Athletics, Children's Center, Collins Center for the Arts, Maine Museum of Art, Hudson Museum, and Disability Support Services

# Chief Business Officer



FY17 base budget of \$16,346,925

<b>Adjustments</b>	<b>Amount</b>	<b>FTE</b>
<b>Strategic Investment</b>		
Funded Depreciation	\$245,000	0.00
Maintenance of Facilities	150,000	0.00
Maintenance of PAIL (Plant, Animal & Insect Lab)	100,000	0.00
<b>Transition Positions from One-Time</b>	0	0.00
<b>Share of Cut Target</b>	0	0.00
Facilities Management (Operations)	(49,725)	0.00
<b>NET Adjustment</b>	<b>\$445,275</b>	<b>0.00</b>



# FY18 Net FTE Summary



	<b>Faculty</b>	<b>Professional</b>	<b>Classified/ Service</b>	<b>Total</b>
Vacancies	(4.49)	0.00	0.00	(4.49)
Resignations/Retirements	(3.01)	0.00	0.00	(3.01)
Work-Year Reduction	0.00	0.00	0.00	0.00
Move to Other Funding	0.00	(0.48)	0.00	(0.48)
Layoffs	0.00	0.00	0.00	0.00
End Of Appointments	0.00	(0.50)	0.00	(0.50)
<b>Investments</b>	<b>13.50</b>	<b>3.10</b>	<b>0.00</b>	<b>16.60</b>
<b>Total:</b>	<b>6.00</b>	<b>2.12</b>	<b>0.00</b>	<b>8.12</b>





# Pause for Discussion



# Moving Forward

1. Present preliminary base budget to the Finance, Facilities & Technology (FFT) of the BOT on 3.13.17
2. Refine budget as needed (e.g. State Budget)
3. **March 28, 2017:** UMaine 3rd FY18 Budget Discussion
  - MEIF
  - Auxiliaries
  - Update on State Budget
4. Process for Input
  - Web Survey – [umaine.edu/president](http://umaine.edu/president)
  - Email – [umpresident@maine.edu](mailto:umpresident@maine.edu) or
  - Email – [umcbo@maine.edu](mailto:umcbo@maine.edu)



# Campus Community Survey Questions

THE UNIVERSITY OF MAINE Admissions Campus Life Academics Research About Us Search... Quicklinks

## umaine.edu/president

### Office of the President

Home President's Cabinet UMaine history Past UMaine Presidents Office of the President Staff

#### FY17-18 Budget Materials

[DOWNLOADS AND FEEDBACK](#)


- President's Biography
- Cultural Affairs Committee
- Board of Visitors
- Speaking Request Form
- 2018 Honorary Degree Nomination Form (PDF)

#### News

New York Times remembers the life and work of Gordon Hamilton  
Published: October 25, 2016

Media cover death of UMaine climate scientist Gordon Hamilton  
Published: October 24, 2016

#### Welcome to the Office of the President



President Susan J. Hunter, Ph.D.

[President's Message to the Community: Oct. 13](#)

[President's Message to the Community: Sept. 19](#)

[June Mt. Katahdin hike](#)

[President's Message to the Community: Aug. 17](#)

[More](#)

Welcome to the University of Maine.

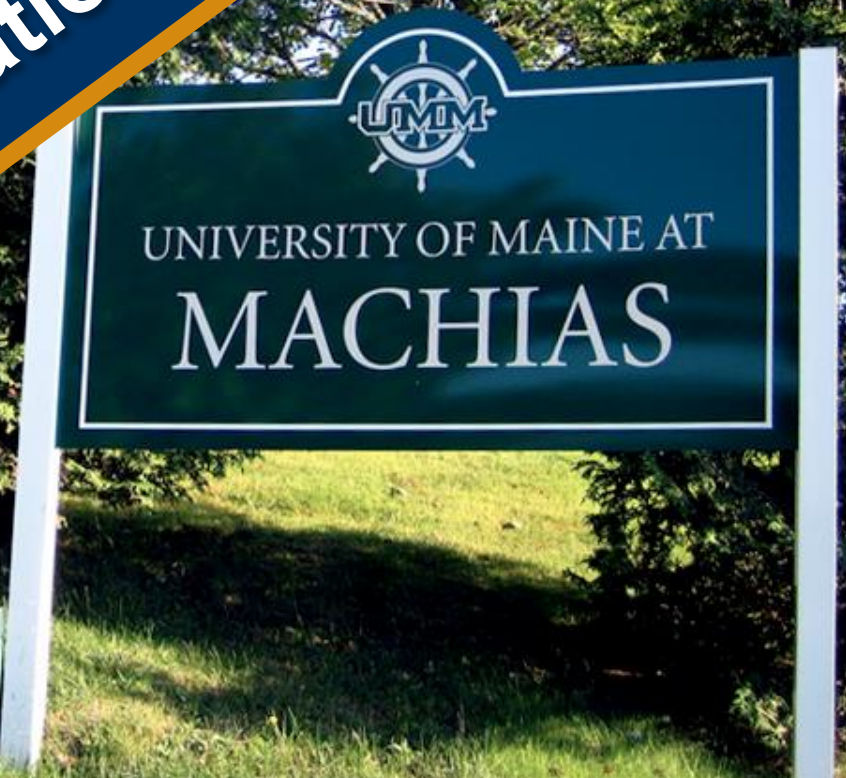
Nearly three decades ago, I joined the UMaine community as a faculty member and researcher. I came to UMaine for the opportunities it offered, for the leadership it demonstrated as Maine's flagship university, and the dedication it embodied as the state's land and sea grant institution through its mission of teaching,



Questions?

# UNIVERSITY OF MAINE – UNIVERSITY OF MAINE AT MACHIAS

**A New Relationship**





# Primary Partnership Goals

- Promote enhanced enrollment growth at UMM
- Increased efficiencies between institutions
- Increased program and research opportunities
- Opportunities for UMM to achieve sustainable scale and stability

As presented March 2016





# Three Phases of Partnership Exploration

As presented March 2016

1. Administrative Integration
2. Curriculum and Program Alignment
3. Structure and Governance





# Administrative Integration

As presented March 2016

## Economies of scale to be realized

- Finance
- Enrollment Management\*
  - Registrar
  - Bursar
  - Financial Aid\*
- Marketing/Communication
- Human Resources
- Student Affairs
- Research Administration\*

\*On-going







# Curriculum and Program Alignment

As presented March 2016

## Goals

- Increase student opportunities
- Increase enrollment at UMM
- Facilitate student transfer between institutions
- Expand research opportunities in UMM Signature Areas





# Curriculum & Program Alignment

As presented to  
Faculty Forum, Nov. 2016

## Summary of Recommendations

- **Transfer programs**
  - Facilitate 1 + 3 and 2 + 2 programs
- **Pathways to graduate degrees**
  - Facilitate progression of UMM graduates into 1-year master's programs
- **Shared courses**
- **Graduate student teaching opportunities**





# Curriculum & Program Alignment

## Summary of Recommendations

- Marketing
- Advising

As presented to  
Faculty Forum, Nov. 2016



# Structure and Governance

A Structure and Governance team was charged earlier to analyze the organizational structure and governance options for the UMaine/UMM Primary Partnership





# Structure and Governance

- **Susan Hunter**, President, UMaine – *CoChair*
- **Sue Huseman**, President, UMaine Machias – *CoChair*
- **Miles Theeman**, UMaine BOV representative
- **Charles Rudelitch**, UM-Machias BOV representative
- **Bonnie Newsom**, UMS BOT representative
- **Jim Thelen**, UMS Chief of Staff and General Counsel – *Team Facilitator*
- **Tamara Mitchell**, UMS Director of Organizational Effectiveness – *Facilitation Support*





# Structure and Governance

## Goals

- A financially stable Machias campus
- A baccalaureate degree-granting Machias campus
- Relationship between campuses that fosters stabilization, growth and success
- A campus leader resident in Downeast Maine





# Structure and Governance

## Recommendations

- UMM will be a regional campus of the University of Maine as of July 1, 2017
- UMM will continue to offer baccalaureate programs
- An Executive Dean will serve as the UMM campus leader and report to the President of UMaine
  - Will serve on UM Cabinet, Dean's Council and Provost's Council
- UMM faculty will report to the Executive Dean
- UMM's financial administration will report to UMaine's CBO





# Structure and Governance

## Recommendations

- UMM's student affairs administration will report to UMaine's Chief Student Affairs Officer
- UMM will maintain a separate OPEID with the U.S. Dept. of Education
- UMM will maintain a BOV with members appointed by the UMaine President
- UMM will maintain their athletic program







# Finance and Budgeting

- UMM is presenting a balanced FY18 base budget
- UMaine will assume operational control of UMM's FY18 budget on 1 July 2017
- UM's CBO will assume overall responsibility for UMM's budget, finance and business operation





# Finance and Budgeting

- A two-year transition period will permit assessment of overall governance and UMM's fiscal stability
  - UMM will be accounted for separately as an operating unit
  - Including enrollment efforts, finance, and business operations
  - UMS one-time funds have been identified to facilitate short-term operations
- Accounting for reserves and auxiliaries will be maintained separately for transition period





# Accreditation Aspects

- UMM will be incorporated under UMaine's NEASC accreditation
- UMaine will develop a Substantive Change Application to be submitted to the Commission on Higher Education within NEASC





# Questions

