

Multi-Year Financial Plan

FY2012 – FY2016

*Board of Trustees
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Universities*

UNIVERSITY OF MAINE SYSTEM

**University of Maine System
Multi-Year Financial Plan**

Fiscal Years 2012 to 2016

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I. Introduction

The University of Maine System is working toward the goal stated in the Final Report and Implementation Plan of the New Challenges, New Directions Initiative: the structural financial gap will be eliminated, with expenses and revenues in balance. The System pursues this goal along with commitments to maintain academic quality and integrity, provide access to more students, offer new programs that support economic development in Maine, deliver more efficient and cost effective operations, and enhance productivity by utilizing technology more broadly. These priorities are inter-reliant: financial sustainability, quality programs, healthy enrollments, economic development, efficient operations, and strategic enterprise technology. Together, they create the future vision of the System and contribute to the well-being of the State of Maine.

The System has developed a long-range financial planning process that evaluates the fiscal impact of key budget drivers such as enrollment; faculty and staff compensation; investments in physical plant; and State appropriation invested in the System. This report introduces the planning process and presents financial planning elements and forecasted scenarios. It provides background on financial challenges and context for upcoming decisions. The purpose of this planning process is to consider the underlying financial conditions that face the System and the impact of alternative action steps that may address projected shortfalls in the future. This report offers a transparent assessment of the System's financial challenges. The potential solutions discussed are limited to reasonable and feasible options which are currently available.

This report is intended only to begin the conversation that must occur within our University community and within the State to ensure that the University of Maine System is able to meet the needs of Maine and its citizens for decades to come. Like any projection and analyses, this report is impacted by the assumptions that are incorporated and the imperfect ability to predict the future. At a high level, it represents a valuable tool to understand how the major components of the budget can be manipulated to find a balance; however, it is important to note that actual application of any of these strategies will yield varying results.

II. Developing the Multi-Year Plan (MYP)

The University of Maine System's finances are captured in a number of "funds" – accounting categories that describe the sources and uses of monies. Annual and multi-year budgeting and planning activities focus on three classifications of unrestricted funds: Education & General (E&G), Designated, and Auxiliary Enterprise activities that support the educational mission. The funds comprise the majority of the System's compensation (salaries for grant-funded research and endowment funded positions are captured elsewhere), the State appropriation, tuition and fee revenue, and university-funded financial aid.

The Multi-Year Plan is developed in an Excel workbook that enables dynamic assumptions from a System-wide perspective as well as campus-specific variables and analyses. The workbook includes detailed pages that include the revenues and expenses at each campus and at System-wide Services. Those details are summarized in a consolidated System-wide forecast. Each page consists of the 2011 current fiscal year budget and projections for the next five fiscal years: 2012 through 2016.

The Multi-Year Planning process is collaborative and iterative; as more planning information comes into focus, the forecast becomes more robust. The five year planning process begins in August when the System and campus finance teams meet to review assumptions and develop the planning framework. The System-wide variables and assumptions include possible tuition increases, growth in faculty and staff compensation, benefit rates, State appropriation, inflation rates, capital funding goals (expressed as a percentage of depreciation expense) and other cost factors.

Working with a common template, the campus financial professionals refine their campus-specific assumptions in September. They include details about enrollment (expressed as student credit hour enrollments), and non-personnel expenses such as fuel and electricity, supplies and services, maintenance and alterations, and library acquisitions.

In October all of the inputs are compiled, responses to goals are calibrated, results are reviewed with campus chief financial officers, and the System's Multi-Year Plan is developed. **The forecast is not a crystal ball, or even a detailed budget development tool; it provides only a framework for considering the System's major economic drivers and their aggregate impact on financial results.** The Current Trend MYP scenario is the starting point for determining the sustainable fiscal strategies for the System in the years ahead.

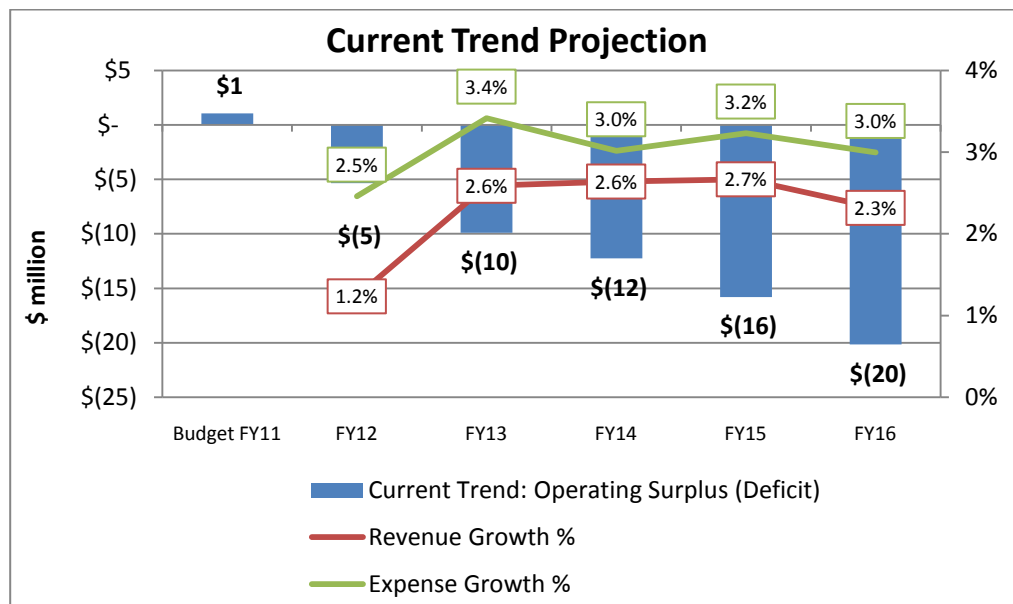
As development of the FY2012 budget begins, campus representatives will refine the assumptions in the MYP based on the most current information available. Therefore, the actual FY2012 budget that results will likely differ from the projections contained in this report.

III. Current Trend MYP

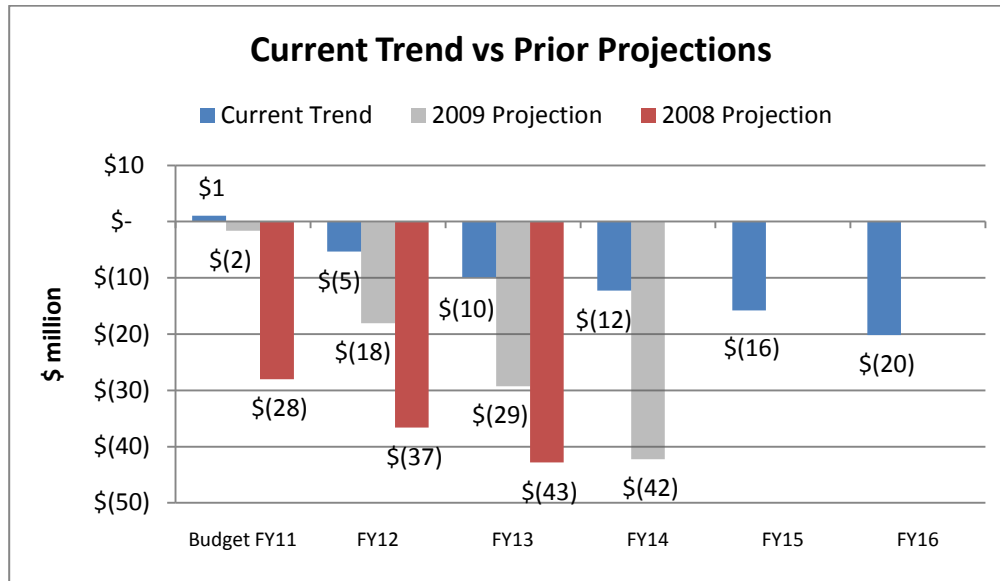
The initial forecast is called the Current Trend MYP. It assumes: the State Fiscal Stabilization Funds from the American Recovery and Reinvestment Act (ARRA) that bridged \$6 - \$7 million of the revenue shortfalls in fiscal years 2009-2011 will not fund future budgets; each campus increases tuition 5% or less, annually; and total appropriation is held constant (0% growth). Compensation increases include only adjustments for post-tenure, merit, step increases, and satisfactory performance adjustments—no cost of living adjustment is included—and trends in health care costs continue to grow at the same pace, demanding a larger piece of the overall compensation budget each year.

When these trends persist, revenues do not keep pace with expenses. The current trend projection shows that the System will need to implement course changing actions to ensure costs are in line with available resources. Those actions will most likely be a combination of efforts to grow revenue beyond current forecasts and curtail costs.

It should be noted that the Current Trend projection does not include any contingency for a reduction in appropriation, which would increase the projected deficit. Additionally, while current evidence suggests that a 5% tuition increase would not adversely affect enrollment, the University System will have to pay particular attention to price sensitivity as this level of annual increase may not be sustainable over the five fiscal years included in the MYP.



Deficits are projected in the Current Trend scenario, but the current FY2011 budget is balanced and although assumptions shift in each MYP, the projections for FY2012-2014 show marked improvement from earlier projections.



While the challenges continue, it is important to recognize that the Current Trend MYP reflects the positive fiscal impact of various cost saving measures, including many New Challenges, New Directions initiatives. Much of the forecast improvement is based upon a foundation that required rescissions in staff, faculty, and programs; efficiencies and economies to reduce costs; as well as understanding and cooperation from bargaining units as contracts were negotiated to preserve the long-term interests of the System and its valued employees.

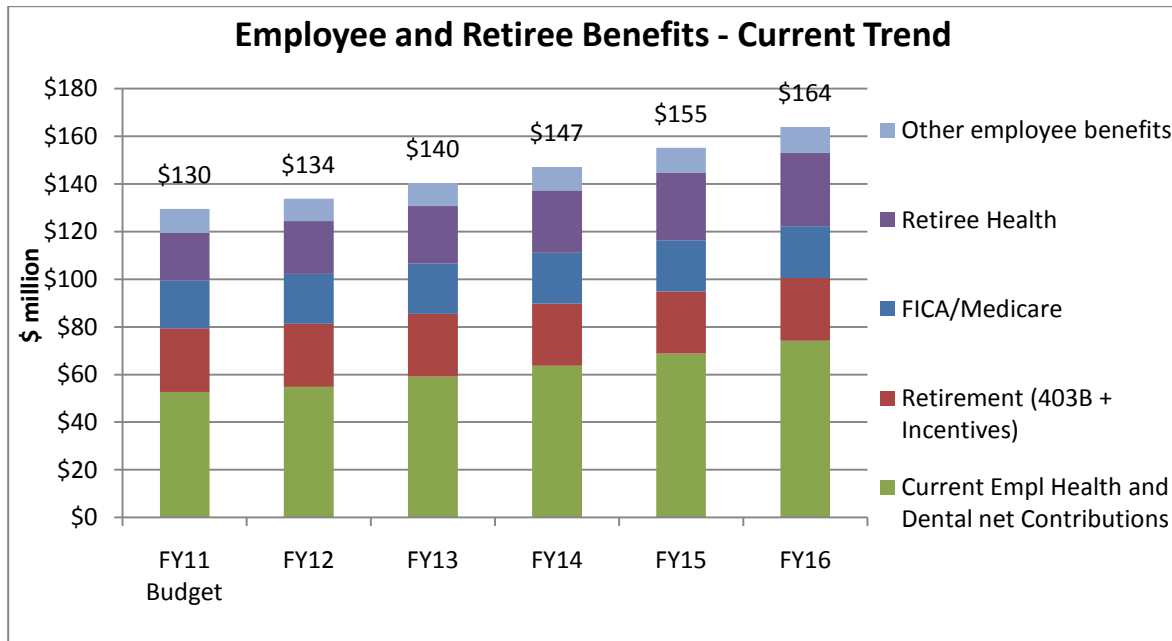
The analyses that follow highlight some of the financial elements that contribute to the gap between revenue and expenses, define emerging challenges that alter the multi-year projections, and describe strategies that may create a sustainable financial forecast for the System.

IV. Expense Drivers

The University System has worked hard to curb spending. In the last three years, the University System has reduced its workforce by nearly 6%. In FY2010 the University System closed an \$18 million structural gap and its actual unrestricted operating expenses at year end were nearly \$5 million less than the prior fiscal year. Additionally, our current FY2011 budget is balanced, closing a \$28 million structural gap. As the charts in the prior section demonstrate, the revenues that support educational operations continue to lag behind the growth in expenses, requiring still deeper cuts in the future.

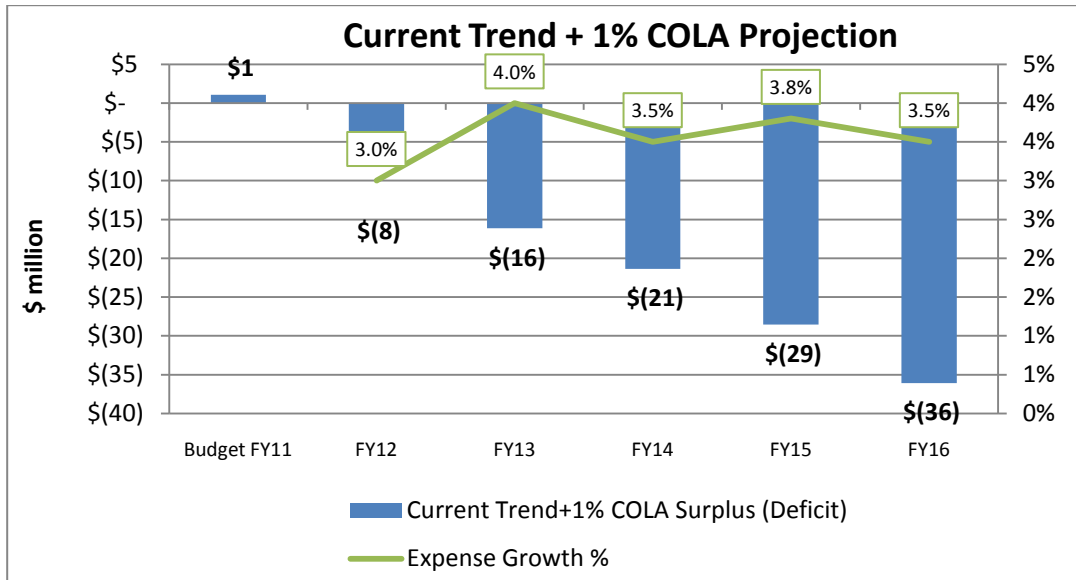
a.) Health Care Costs and Total Compensation

Health care costs (including dental insurance) for current employees and retired employees represent more than 55% of the current year benefits budget. The relatively new accounting requirement to recognize the future cost of retiree health care when it is earned and the soaring cost of health care in the United States are major drivers of the University System’s overall benefit rate which is currently 51.9% of a full-time employee’s salary and is projected to exceed 60% by FY2016.



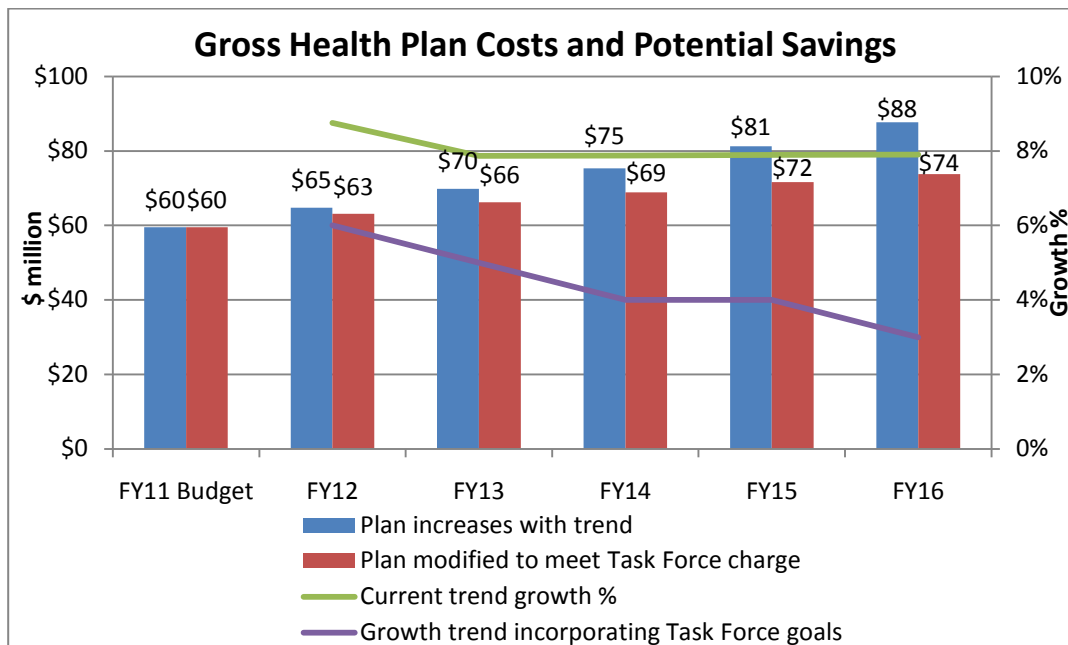
The System recognizes that benefit packages—in particular health care coverage—are important components of compensation. The employee health care plan is crucial to attracting and retaining highly qualified faculty and staff, but its rapidly escalating costs crowd out the University System’s ability to increase salaries and wages and invest in other mission-critical expenses.

Even without any cost of living adjustment (COLA), employee salaries in aggregate increase each year given promotions, post-tenure review, step, and satisfactory performance increases that are negotiated in bargaining-unit contracts or stipulated in employee policies. Without any cost of living adjustment, salary costs across the System will increase on average 1% annually. The assumptions that non-COLA increases will grow 1% and no COLA increase will be offered were incorporated into the Current Trend scenario, which ends FY2016 with a \$20 million deficit. If just a 1% cost of living adjustment is added to those Current Trend assumptions, expenses increase an additional 0.5% annually and the System ends FY2016 with a much steeper deficit of \$36 million.

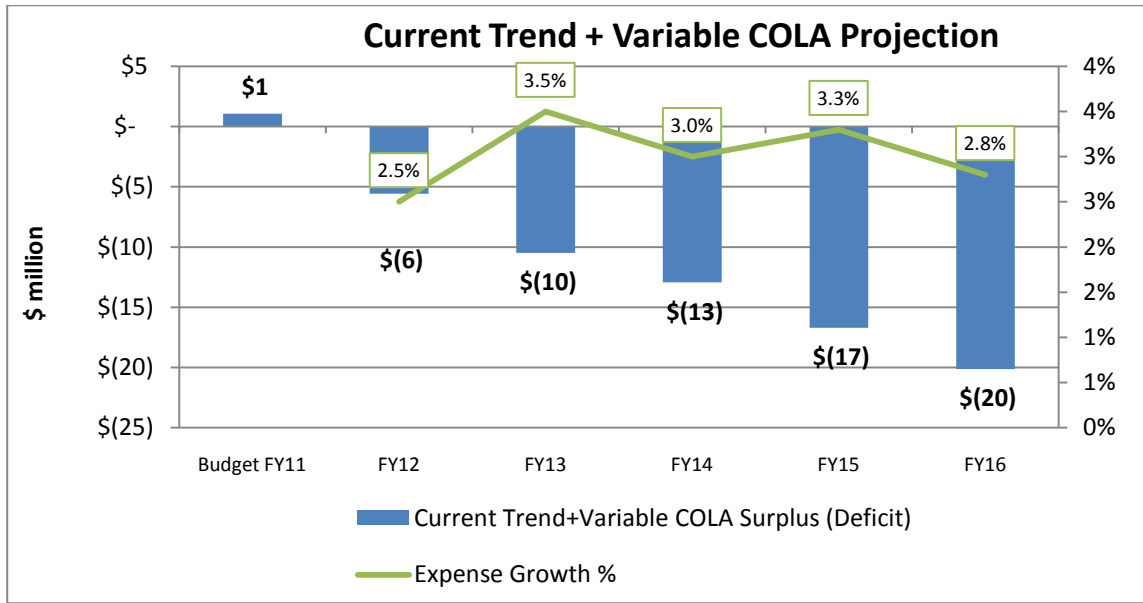


The Employee Health Plan Task Force (EHPTF) is focusing on improving the health status of employees and their dependents and protecting them from catastrophic cost while managing the costs of the health care plan. The Task Force is pursuing savings via employee education and wellness programs, and partnerships with employees, bargaining units, and health care providers.

If the MYP incorporated the Employee Health Plan Task Force cost saving goals, it would shift the cost increases from the current trend of 8%-9% annually, to declining growth rates that begin at 6% and move eventually to a more modest 3% increase. These goals would save nearly \$14 million annually by 2016 and over \$35 million over the five year period of the MYP.



Minimizing health care costs will be a team effort; and all employees can contribute to this effort. If the goals of the Task Force are realized, the System may be able to shift budgeted compensation dollars from benefit costs to salaries. The following scenario shows that with some shared efforts the System may control the growth of health care costs and offer a modest and growing cost of living adjustment to employees over the next five years at annual rates of 0.5%, 0.5%, 0.75%, 0.75% and 1.0% by FY2016.



This scenario is not break-even, but it ends FY2016 at the same level of deficit as the Current Trend scenario that shows continued trends in health care costs and no cost of living adjustment. This scenario shows that lowering health care cost growth may create room for modest salary growth.

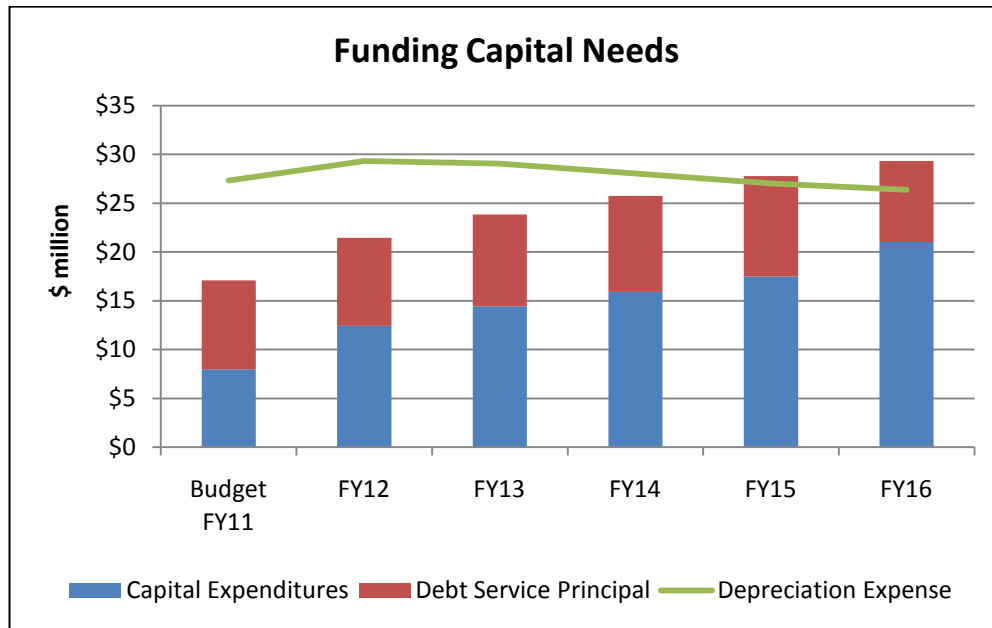
b.) Fully Budgeting Depreciation

The operating budget of the University of Maine System comprises the direct education-related costs of faculty and staff as well as program and service delivery. These expenses are forefront on the minds of campus stakeholders as the System strives for balanced budgets. But the physical plants that accommodate the people and programs are also vital to the future health and sustainability of the University of Maine System. Historically low capital renewal spending has contributed to a significant backlog in critical deferred maintenance estimated at \$350 million. As a result, the System is not adequately protecting over \$2.2 billion of physical assets.

Since 2007 the System has worked with the campuses to implement a more disciplined approach to budgeting and funding capital investments by phasing in full budgeting for depreciation. The System uses annual depreciation expense (an accounting total based on the age and value of existing physical assets) as a metric to move toward a more fully funded capital program.

Specific goals state that E&G depreciation will be fully budgeted by FY2016 and that Auxiliary Enterprise depreciation was to be fully budgeted by FY2011. In the MYP, the progress toward the goal is measured by

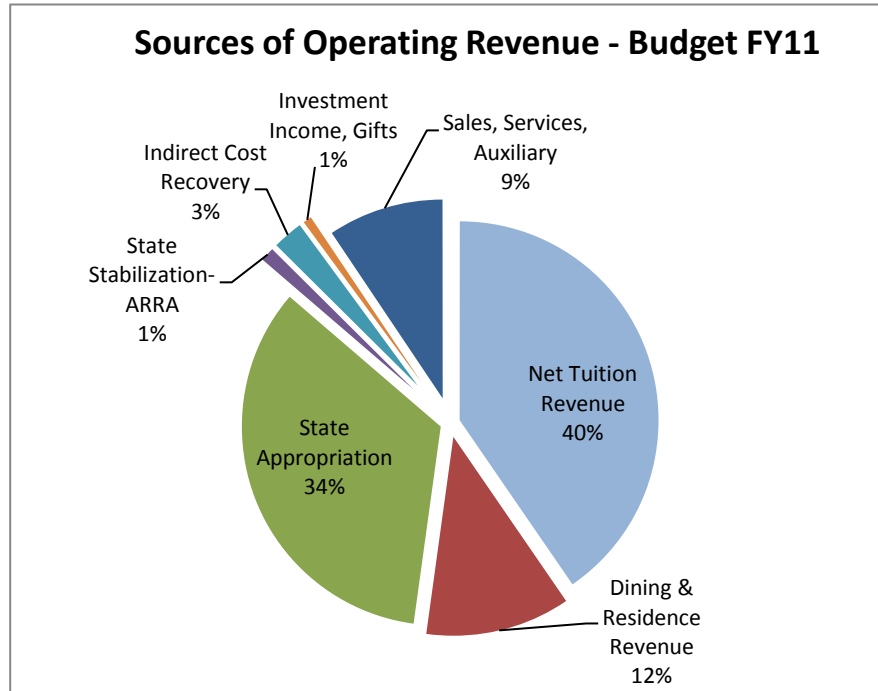
investments in Capital Expenditures and the repayment of Debt Service Principal. The goal by FY2016 is for the annual operating budget to include the total depreciation expense. This budgeting discipline ensures that the operating budget anticipates the true cash outlays required to fund debt service principal obligations and current capital needs. That discipline is a major cost that has not been fully budgeted historically, so it contributes to expense growth. Fully budgeting depreciation is only a starting point; while its budget impact is significant, budgeting for current depreciation expense does not generate sufficient cash to address the substantial \$350 million backlog of critical deferred maintenance.



Consistent State support for capital construction improvements in higher education facilities (similar to the funding structure in place for K-12) would free more of the E&G operating budget for education-specific costs of programs and services.

V. Revenue Drivers

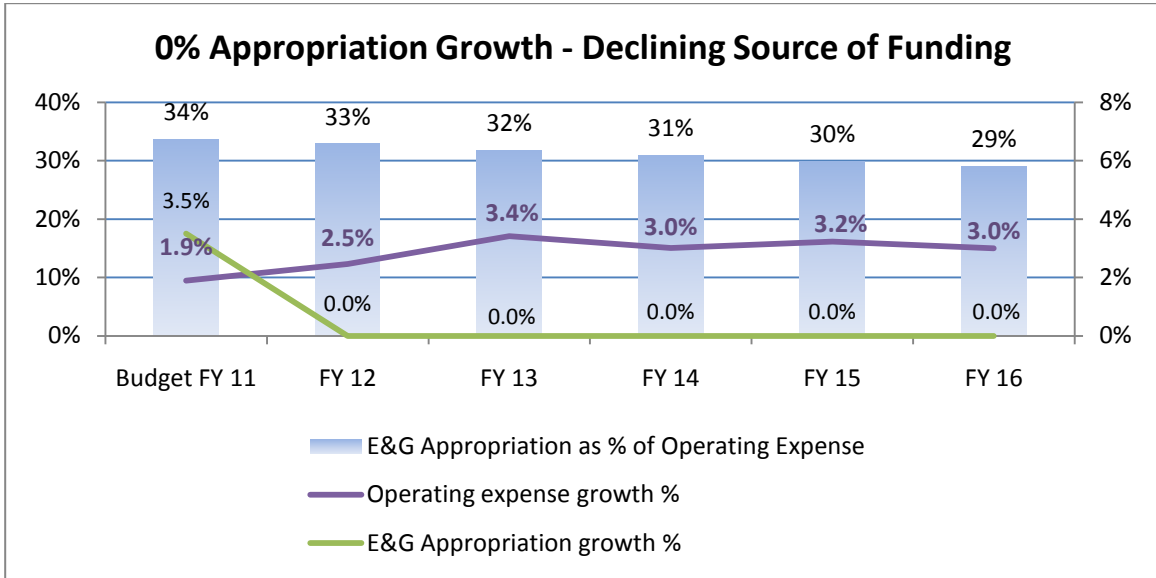
The two largest sources of operating funds are net tuition revenue and E&G State appropriation. Currently net tuition revenue (tuition and fee charges, less financial aid) represents 40% of unrestricted revenue sources and the State appropriation represents 34%. Dining and residence revenue represents 12% of unrestricted funding and other auxiliary sales and services contribute 9%.



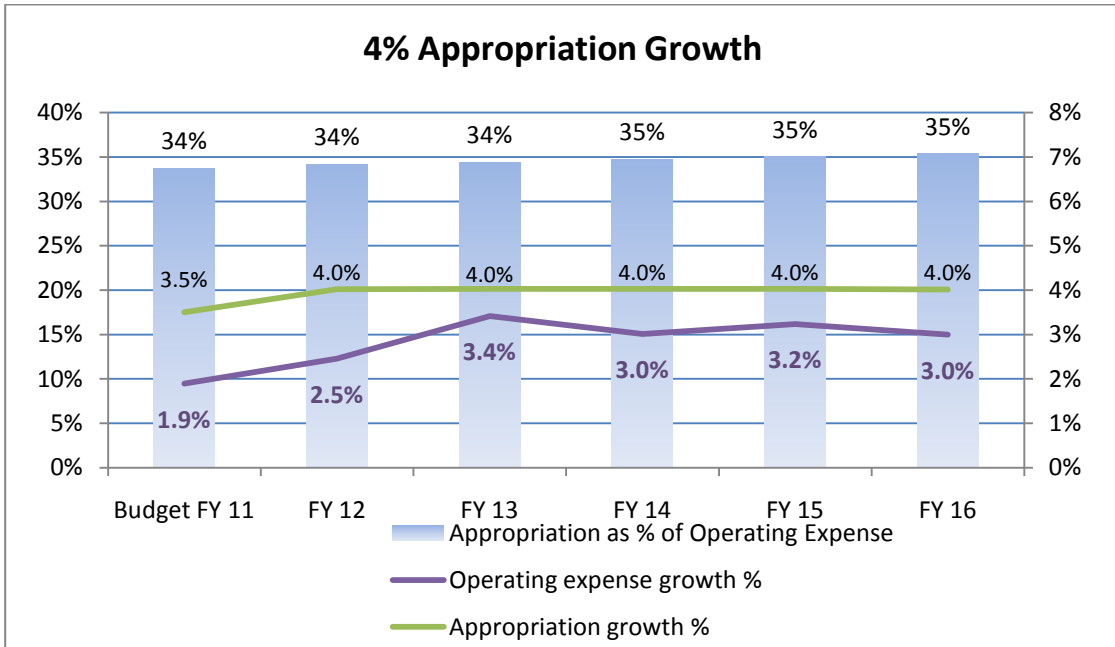
Following are the prognoses for the two major revenue sources, appropriation and tuition.

a.) State Appropriation

The Current Trend MYP assumes that the E&G State appropriation allocated to the University System is flat (0% increase) for each of the five fiscal years of the projection. The chart below shows that stagnant State appropriation does not keep pace with rising expenses and that State appropriation covers a smaller percentage of operating costs each year. In FY2011, E&G State appropriation funds represent 34% of the System's operating budget, however with costs of operations increasing at an average rate of 3% annually over the next five fiscal years, this level of support is projected to decline to 29% by FY2016.



The chart below shows that an annual 4% increase in State appropriation would maintain the current level of State support for operating costs, which will help the University System to keep pace with the growth in expenses and curb future increases in tuition.

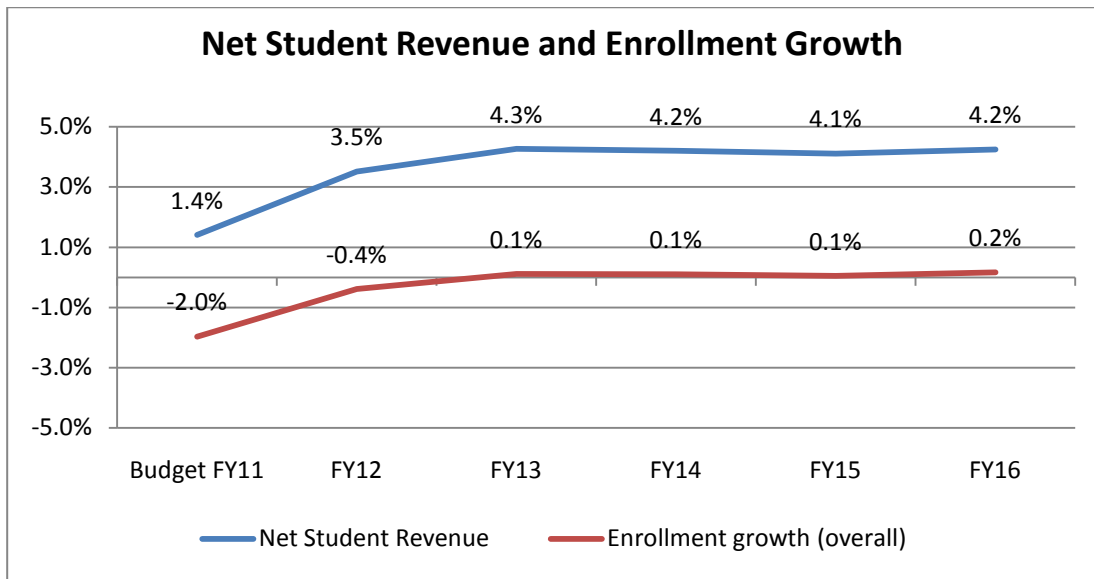


If the 4% increase in State appropriation continued through FY2016, it would have a major impact on keeping tuition affordable and closing the structural gap.

b.) Enrollment and Tuition Pricing

Student revenue is comprised of tuition and fees, and auxiliary dining and residence revenue. This analyses focus on net student revenue (less financial aid) because the System is committed to maintaining its level of financial aid and scholarships as a percentage of tuition cost. This mirrors the System’s commitment to providing accessible and affordable education to Maine students. Net student revenue currently represents 52% (40% for tuition and fees less financial aid and 12% for dining and residence revenue) of the current FY2011 budgeted revenues. As a flat State appropriation becomes a smaller component of funding, student revenues are projected to grow to 57% net of aid. This trend shows a greater cost of education shifting to students and their families.

Although the Current Trend MYP increases tuition 5% or less, annually (with corresponding increases in financial aid), enrollment trends limit the growth of tuition revenue.



In December 2009 the University of Maine System engaged Noel-Levitz, a consulting firm specializing in enrollment management, to conduct a comprehensive study of markets, strategic pricing, and financial aid to help the System improve access and affordability. The report on the first phase of the project was delivered in May 2010, and provided enrollment management assessments for each UMS campus; price sensitivity research among college-bound high school students, parents, and other prospective adult undergraduates in the state of Maine; and, most significantly for planning purposes, projections of probable new student enrollment levels over the next decade.

The report presented grim enrollment projections because the System campuses’ consistent 33% market share among Maine high school students is impacted by the state’s shrinking demographics of this segment of the population. This projection continues for transfer student enrollments which are projected to decline 7% - 18%. In addition, part-time undergraduate programs have lost significant market share to the state’s

community colleges. Assuming the System’s part-time programs maintain 55% of the combined public two-year and four-year part-time student enrollment, declines of 2%-6% are expected by 2020.

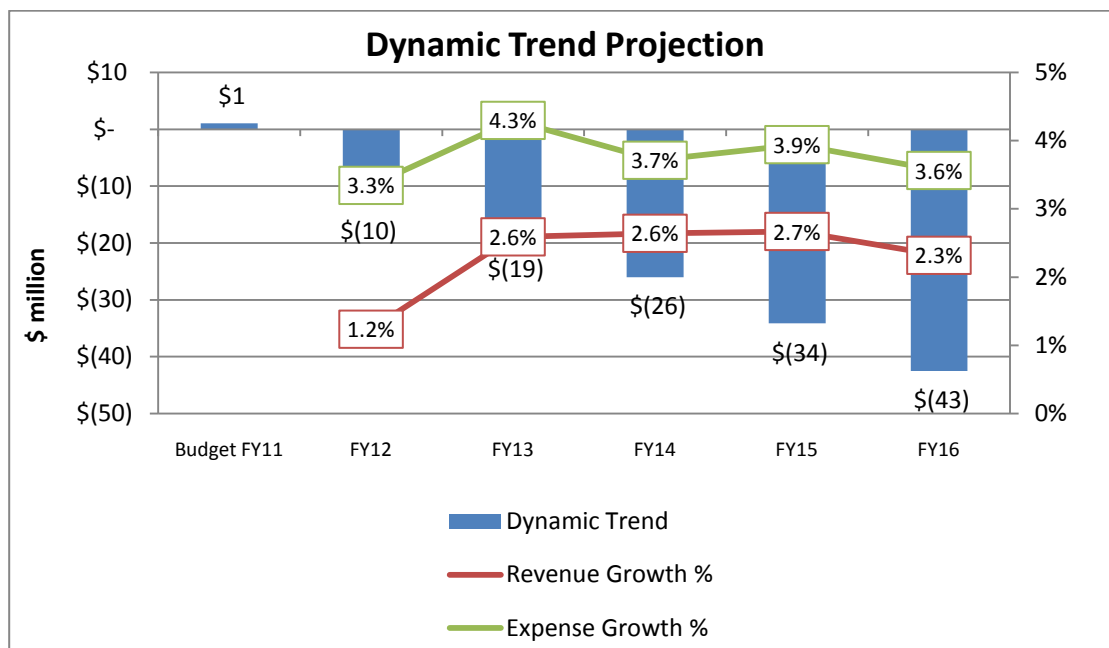
In light of the importance of the baccalaureate degree to Maine’s economic future and the priority for public higher education to offer programs that are accessible and affordable, the System must carefully consider any tuition increases. This priority, along with declining demographic trends and flat enrollment projections, means that there are limits to the growth of tuition revenue to fill the gap between expenses and funding sources.

VI. Dynamic MYP

Up until now this report’s focus has been the Current Trend MYP that demonstrates progress to date in achieving a sustainable budget as well as pointing out the challenges represented by the factors driving both costs and revenues.

However, a more dynamic model would seek to improve the salary and wages component of employee compensation over time and strive to control the cost of health care by achieving manageable increases. If the System changes the assumptions in the MYP to incorporate the health care savings goals of the EHPTF and to provide a 2% annual cost of living increase, the MYP results in a \$42.5 million gap by FY2016.

As in the Current Trend projection, it should be noted that the Dynamic MYP does not include any contingency for a reduction in appropriation which would increase the projected deficit.



In an ideal situation:

- State policy-makers would recognize the connection of baccalaureate education to Maine's economic future by providing a reasonable level of investment that kept pace with operating costs and capital infrastructure needs;
- Tuition would increase at a rate no greater than the growth in Maine personal income to ensure the affordability of a university education for decades to come;
- The institutions within the University System would work collaboratively to harness efficiencies in administrative and academic delivery systems and technology would be employed to enhance overall productivity;
- Increases in health care costs would be manageable and the trend in total compensation for employees would focus on salary and wages.

While the Dynamic MYP shows a \$42.5 million gap, that distance can be closed by ensuring reasonable and predictable increases in State appropriation that are mirrored by reasonable and predictable increases in tuition; a reduced but more competitively compensated workforce, that is also more collaborative, efficient, and productive; resources that keep pace with current capital needs; and strategies to recruit and retain a more diverse student population that results in both improved enrollment projections and higher educational attainment for Maine citizens.

VII. Strategies for Sustainability

The following Strategy Scenarios adjust the key budget variables to form alternate paths to a balanced budget in FY2016 through adjustments to State appropriation, tuition increases, enrollment, capital renewal commitment, total compensation, and full time equivalent employees.

a.) Strategy Scenario I

One strategy scenario for closing the \$42.5 million gap utilizes the System's recently submitted biennial funding request for a 4% increase in State appropriation and, in turn, promises a 3% cap on future tuition increases. When this funding option is applied over the next five fiscal years it results in increased revenue of \$18.3 million in FY2016.

Since 2007 the University System has reduced its workforce by 318 full time equivalent (FTE) employees, or nearly 6%. This has been a challenging undertaking where individual campuses have struggled to maintain services and quality. While the institutions of the University System have embraced a greater degree of collaboration, there are still many opportunities to employ greater efficiencies that would both ease the current downsizing challenges and allow for greater workforce reduction. However, this will require a major review of what jobs and programs are needed at which institutions and what degree of centralization maximizes efficiency while still delivering effective educational programs. If a 4% reduction in force were instituted over the next five fiscal years, approximately 200 additional FTEs would be eliminated. This would save on average an additional \$17.2 million in FY2016.

The University System has consistently maintained a 33% share of Maine's high school graduates over the past decade. Given that this segment of the Maine population will dramatically decline over the next decade, our institutions need to place a greater emphasis on enrollment management to both retain and recruit a greater number of students. Ideally, the University System will increase its share of high school graduates by demonstrating the value of Maine's four-year public higher education institutions over other options and by increasing the aspirations of graduates who currently do not choose to pursue any college education. The System would attract more adult students who choose to continue their education full-time or part-time, either in a classroom or over the Internet. And, the System would improve the transfer rate from Maine's Community College System. Acknowledging there will be expenses associated with increased financial aid, faculty and student support, a 3.5% increase over current enrollment projections would yield an additional \$7.0 million in revenue in FY2016.

These strategies combined result in a balanced budget by FY2016 and, while challenging, represent the best scenario for a sustainable future. However, the level of collaboration and consolidation required to bridge the workforce reduction in this scenario will challenge the current culture of our seven-university System.

b.) Strategy Scenario II

This scenario again utilizes our recently submitted biennial funding request for a 4% increase in appropriation that in turn promises a 3% cap on future tuition increases. This reduces the funding gap by \$18.3 million in FY2016.

However, in lieu of greater workforce reductions, this strategy foregoes the 2% annual cost of living increase and instead replaces it with a variable COLA funded entirely by achieving the savings goal of the EHPTF. Savings would be applied to cost of living increases equal to 0.5% in FY2012, 0.5% in FY2013, 0.75% in FY2014, 0.75% in FY2015, and 1.0% in FY2016 and would be negotiated as part of the biennial collective bargaining contracts. This approach reduces the funding gap by \$22.4 million in FY2016.

A more moderate enrollment increase of just 1% closes the gap by providing an additional \$2.0 million in revenue in FY2016.

While this scenario balances the budget in FY2016, it neither provides adequate salary and wage compensation to sustain a talented workforce in the future, nor does it harness the ample opportunities for collaboration and efficiencies.

c.) Strategy Scenario III

The third scenario regrettably assumes no assistance from the State in improving the appropriation to the University System. Therefore, this scenario utilizes a 5% or less annual increase in tuition and flat State appropriation through FY2016.

This scenario also replaces the 2% annual cost of living increase with a variable COLA funded entirely by achieving the savings goal of the EHPTF. This strategy reduces the funding gap by \$22.4 million in FY2016.

If the goal of fully budgeting E&G depreciation were slowed to achieve only 75% of full funding for depreciation in FY2016 instead of the current 100% target, this would save \$5.4 million in FY2016.

A 3.5% workforce reduction, at the lower average compensation rate used in this scenario, closes the gap by providing savings of \$14.7 million in FY2016.

While this scenario also balances the budget in FY2016, its resulting trend points toward less and less State support and greater and greater student and family financial contribution toward the cost of higher education. While current evidence suggests that a 5% tuition increase would not adversely affect enrollment, the University System will have to pay particular attention to price sensitivity as this level of annual increase may not be sustainable over the five fiscal years included in the MYP. Additionally, the level of collaboration and consolidation required to bridge the workforce reduction in this scenario will challenge the current culture of our seven-university System. This scenario also further diminishes the System’s ability to address the backlog of capital renewal. Finally, this scenario does not provide for adequate salary and wage compensation to attract and sustain a talented workforce in the future.

Summary: Strategies for Sustainability		Net Change from Dynamic Trend Scenario	
Strategy Scenario I			
Appropriation growth 4%	↑	revenue	\$38.5 M
Tuition Increases 3% or less	↓	revenue	(\$20.2)M
4% workforce reduction	↓	expense	\$17.2 M
3.5% increase over current enrollment projections	↑	revenue	\$7.0 M
FY 2016 Impact, Strategy Scenario I:			\$42.5 M
Strategy Scenario II			
Appropriation growth 4%	↑	revenue	\$38.5 M
Tuition Increases 3% or less	↓	revenue	(\$20.2)M
Variable COLA	↓	expense	\$22.4 M
Enrollment increase 1%	↑	revenue	\$2.0 M
FY 2016 Impact, Strategy Scenario II:			\$42.7 M
Strategy Scenario III			
Appropriation growth 0%			-
Tuition Increases of 5% or less			-
Variable COLA	↓	expense	\$22.4 M
Reduce full funding for depreciation to 75%	↓	expense	\$5.4 M
3.5% workforce reduction	↓	expense	\$14.7 M
FY 2016 Impact, Strategy Scenario III:			\$42.5 M

VIII. Closing

This report contains combinations of various strategies to form scenarios for achieving a balanced budget in FY2016. It is intended only to begin the conversation that must occur within our University community and within the State to ensure that the University of Maine System is able to meet the needs of Maine and its citizens for decades to come. Like any projections and analyses, this report is impacted by the assumptions that are incorporated and the imperfect ability to predict the future. At a high level, it represents a valuable tool to understand how the major components of the budget can be manipulated to find a balance; however, it is important to note that actual application of any of these strategies will yield varying results.

Negative financial and demographic forces require the University of Maine System to undergo transformative change to preserve and improve quality and ensure financial sustainability.

Of all the factors impacting the University System, the State of Maine's fiscal performance is the most significant. The world financial crisis in FY2009 required the State to make significant adjustments for losses in revenue. As a result, State funding for the University of Maine System was negatively adjusted through curtailments and reduced appropriation, continuing a twenty year trend whereby State appropriation for the University System has declined as a percentage of the State budget as well as a percentage of the University System's budget. Additionally, State support for capital infrastructure improvements is sporadic and declining. At present, the economic recovery is weak and volatile conditions persist, placing future State appropriation and bonding for the University System at risk.

Further, current demographic projections indicate that the number of Maine high school graduates will decline over the next decade leading to reduced enrollment of traditional age college students. This demographic change also implies that for Maine, today's workforce is also tomorrow's workforce. This requires that the University System rapidly adjust to attract and serve adult students in ways that best meet their needs.

In addition to the escalating national trend in health care costs, since 2008 governmental accounting standards require the System to account for other post-employment benefits (OPEB), primarily health care, on an accrual basis. This means that the expense is recognized at the time it is earned by an employee (present), rather than when it is used in retirement (future). This accounting requirement has added significant expense for the University System, as it has for every governmental entity in the nation.

Another factor outside of the System's control is the market-driven compensation required to attract and retain a talented faculty. The System competes for quality faculty and researchers in an increasingly global marketplace to ensure that our graduates and Maine businesses can also compete in that marketplace.

Most importantly, as the University of Maine System engages in the work ahead, there is an opportunity to craft a System that is vibrant, innovative, and relevant—meeting the evolving knowledge, research, public service, and education needs of students and the citizens of Maine.

IX. APPENDIX: Dynamic Multi-Year Plan Summary, System and Campus Level Detail

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR PROJECTIONS - DYNAMIC TREND

UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)

	PROJECTIONS**					
	<u>BUDGET</u>					
	FY11*	FY12	FY13	FY14	FY15	FY16
UMAINE	\$513,452	(\$5,974,267)	(\$11,771,809)	(\$16,270,503)	(\$21,299,528)	(\$26,905,619)
UMA	19,307	(707,319)	(965,934)	(921,648)	(922,742)	(897,156)
UMF	34,003	295,136	16,186	(333,492)	(1,013,643)	(1,234,618)
UMFK	0	(465,648)	(697,634)	(897,084)	(1,114,435)	(1,367,954)
UMM	0	(334,020)	(438,073)	(434,671)	(499,619)	(488,665)
UMPI	0	(977,868)	(1,475,690)	(1,846,746)	(2,286,191)	(2,664,084)
USM	215,600	(1,012,709)	(2,348,006)	(2,633,455)	(3,538,927)	(4,567,071)
SYSTEMWIDE SERVICES	282,000	(782,514)	(1,772,294)	(2,670,505)	(3,474,374)	(4,381,580)
NET INCREASE/(DECREASE)	<u>\$1,064,362</u>	<u>(\$9,959,209)</u>	<u>(\$19,453,254)</u>	<u>(\$26,008,104)</u>	<u>(\$34,149,459)</u>	<u>(\$42,506,747)</u>
<i>Incremental Change</i>		(\$11,023,571)	(\$9,494,045)	(\$6,554,850)	(\$8,141,355)	(\$8,357,288)
2009 Projections	(\$1,602,559)	(\$18,080,933)	(\$29,261,956)	(\$42,239,394)		
2008 Projections	(\$28,088,000)	(\$36,542,000)	(\$42,849,000)			

*Includes State Fiscal Stabilization Funds (ARRA)

**Increase Assumptions: ≤5% Tuition; 0% Appropriation; 1% non-COLA; 2% COLA; current employee medical @ Task Force Goal

**UNIVERSITY OF MAINE SYSTEM MULTI-YEAR PROJECTIONS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
TOTAL SYSTEM**

	PROJECTIONS										
	<u>BUDGET</u>										
	FY11	FY12	%	FY13	%	FY14	%	FY15	%	FY16	%
Credit Hour Generation	707,266	704,561	-0.4%	705,337	0.1%	706,070	0.1%	706,430	0.1%	707,613	0.2%
Operating Revenue											
Tuition Revenue	\$220,513,617	\$229,317,437	4.0%	\$240,276,169	4.8%	\$251,540,626	4.7%	\$262,929,592	4.5%	\$275,296,718	4.7%
Fee Revenue	35,826,961	37,324,195	4.2%	38,869,220	4.1%	40,468,859	4.1%	42,253,720	4.4%	44,092,960	4.4%
Dining & Residence Revenue	61,758,996	63,287,506	2.5%	65,201,066	3.0%	67,161,548	3.0%	69,184,648	3.0%	71,272,532	3.0%
Tuition Waivers/Scholarships	(44,339,296)	(46,539,197)	5.0%	(48,851,187)	5.0%	(51,262,172)	4.9%	(53,795,092)	4.9%	(56,467,117)	5.0%
Net Student Charges Revenue	273,760,278.1	283,389,941.0	3.5%	295,495,268.0	4.3%	307,908,861.0	4.2%	320,572,868.0	4.1%	334,195,093.0	4.2%
State Appropriation	178,930,388	179,780,388	0.5%	179,780,388	0.0%	179,780,388	0.0%	179,780,388	0.0%	177,280,388	-1.4%
State Stabilization-ARRA	5,994,798	0	-	0	-	0	-	0	-	0	-
Other Revenues (interest, ICR, etc.)	65,866,093	67,864,900	3.0%	69,512,080	2.4%	71,491,766	2.8%	73,753,171	3.2%	75,946,082	3.0%
Total Operating Revenue	<u>\$524,551,557</u>	<u>\$531,035,229</u>	1.2%	<u>\$544,787,736</u>	2.6%	<u>\$559,181,015</u>	2.6%	<u>\$574,106,427</u>	2.7%	<u>\$587,421,563</u>	2.3%
Operating Expenditures											
Salaries, Wages, & Benefits	\$342,078,831	\$350,627,345	2.5%	\$364,416,580	3.9%	\$377,799,224	3.7%	\$394,262,846	4.4%	\$410,861,638	4.2%
Fuel & Electricity	25,076,736	25,550,044	1.9%	26,144,728	2.3%	26,679,576	2.0%	27,132,355	1.7%	27,604,136	1.7%
Goods & Services (incl. debt service)	148,347,871	152,378,860	2.7%	159,259,620	4.5%	164,788,161	3.5%	169,375,498	2.8%	170,441,880	0.6%
Capital Expenditures	7,983,757	12,438,189	55.8%	14,420,062	15.9%	15,922,158	10.4%	17,485,187	9.8%	21,020,656	20.2%
Total Operating Expenditures	<u>\$523,487,195</u>	<u>\$540,994,438</u>	3.3%	<u>\$564,240,990</u>	4.3%	<u>\$585,189,119</u>	3.7%	<u>\$608,255,886</u>	3.9%	<u>\$629,928,310</u>	3.6%
Net Increase (Decrease)	<u>\$1,064,363</u>	<u>(\$9,959,209)</u>		<u>(\$19,453,254)</u>		<u>(\$26,008,104)</u>		<u>(\$34,149,459)</u>		<u>(\$42,506,747)</u>	
Incremental Change		(\$11,023,572)		(\$9,494,045)		(\$6,554,850)		(\$8,141,355)		(\$8,357,288)	

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR PROJECTIONS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
UMaine

	PROJECTIONS										
	<u>BUDGET</u>										
	FY11	FY12	%	FY13	%	FY14	%	FY15	%	FY16	%
Credit Hour Generation	273,156	270,243	-1.1%	270,243	0.0%	270,243	0.0%	270,243	0.0%	270,243	0.0%
Operating Revenue											
Tuition Revenue	\$98,425,835	\$101,576,149	3.2%	\$106,658,032	5.0%	\$112,053,647	5.1%	\$117,576,090	4.9%	\$123,434,525	5.0%
Fee Revenue	18,312,219	19,227,830	5.0%	20,189,222	5.0%	21,198,683	5.0%	22,258,617	5.0%	23,371,548	5.0%
Dining & Residence Revenue	34,018,358	34,698,725	2.0%	35,739,687	3.0%	36,811,878	3.0%	37,916,234	3.0%	39,053,721	3.0%
Tuition Waivers/Scholarships	(28,977,243)	(30,500,498)	5.3%	(32,102,240)	5.3%	(33,792,088)	5.3%	(35,569,480)	5.3%	(37,442,145)	5.3%
Net Student Charges Revenue	121,779,169.0	125,002,206.0	2.6%	130,484,701.0	4.4%	136,272,120.0	4.4%	142,181,461.0	4.3%	148,417,649.0	4.4%
State Appropriation	83,134,921	83,164,568	0.0%	82,344,215	-1.0%	82,344,215	0.0%	82,344,215	0.0%	80,428,215	-2.3%
State Stabilization-ARRA	3,011,050	0	-	0	-	0	-	0	-	0	-
Other Revenues (interest, ICR, etc.)	42,131,905	43,364,633	2.9%	44,645,033	3.0%	46,334,001	3.8%	48,090,492	3.8%	49,754,103	3.5%
Total Operating Revenue	\$250,057,045	\$251,531,407	0.6%	\$257,473,949	2.4%	\$264,950,336	2.9%	\$272,616,168	2.9%	\$278,599,967	2.2%
Operating Expenditures											
Salaries, Wages, & Benefits	\$147,486,737	\$151,041,271	2.4%	\$157,360,330	4.2%	\$163,933,583	4.2%	\$172,425,261	5.2%	\$181,018,796	5.0%
Fuel & Electricity	14,322,599	14,609,051	2.0%	14,999,211	2.7%	15,299,194	2.0%	15,502,242	1.3%	15,708,321	1.3%
Goods & Services (incl. debt service)	82,963,904	85,989,953	3.6%	90,202,343	4.9%	94,785,266	5.1%	98,190,441	3.6%	98,897,586	0.7%
Capital Expenditures	4,770,353	5,865,399	23.0%	6,683,874	14.0%	7,202,796	7.8%	7,797,752	8.3%	9,880,883	26.7%
Total Operating Expenditures	\$249,543,593	\$257,505,674	3.2%	\$269,245,758	4.6%	\$281,220,839	4.4%	\$293,915,696	4.5%	\$305,505,586	3.9%
Net Increase (Decrease)	\$513,452	(\$5,974,267)		(\$11,771,809)		(\$16,270,503)		(\$21,299,528)		(\$26,905,619)	
Incremental Change		(\$6,487,719)		(\$5,797,542)		(\$4,498,694)		(\$5,029,025)		(\$5,606,091)	

**UNIVERSITY OF MAINE SYSTEM MULTI-YEAR PROJECTIONS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
UMA**

	<u>BUDGET</u>		<u>PROJECTIONS</u>									
	<u>FY11</u>		<u>FY12</u>	<u>%</u>	<u>FY13</u>	<u>%</u>	<u>FY14</u>	<u>%</u>	<u>FY15</u>	<u>%</u>	<u>FY16</u>	<u>%</u>
Credit Hour Generation	88,210		89,092	1.0%	89,983	1.0%	90,883	1.0%	91,792	1.0%	92,710	1.0%
Operating Revenue												
Tuition Revenue	\$18,404,108		\$19,480,748	5.8%	\$20,630,112	5.9%	\$21,847,289	5.9%	\$23,136,279	5.9%	\$24,501,319	5.9%
Fee Revenue	3,446,367		3,480,831	1.0%	3,515,639	1.0%	3,550,795	1.0%	3,586,303	1.0%	3,586,303	0.0%
Dining & Residence Revenue	0		0	-	0	-	0	-	0	-	0	-
Tuition Waivers/Scholarships	(2,094,244)		(2,198,956)	5.0%	(2,308,904)	5.0%	(2,424,349)	5.0%	(2,545,566)	5.0%	(2,672,844)	5.0%
Net Student Charges Revenue	19,756,231.0		20,762,623.0	5.1%	21,836,847.0	5.2%	22,973,735.0	5.2%	24,177,016.0	5.2%	25,414,778.0	5.1%
State Appropriation	13,663,379		13,525,391	-1.0%	13,387,403	-1.0%	13,387,403	0.0%	13,387,403	0.0%	13,387,403	0.0%
State Stabilization-ARRA	506,309		0	-	0	-	0	-	0	-	0	-
Other Revenues (interest, ICR, etc.)	2,402,844		2,414,219	0.5%	2,426,163	0.5%	2,438,704	0.5%	2,451,872	0.5%	2,465,698	0.6%
Total Operating Revenue	\$36,328,763		\$36,702,233	1.0%	\$37,650,413	2.6%	\$38,799,842	3.1%	\$40,016,291	3.1%	\$41,267,879	3.1%
Operating Expenditures												
Salaries, Wages, & Benefits	\$27,074,881		\$27,713,114	2.4%	\$28,674,330	3.5%	\$29,547,442	3.0%	\$30,571,610	3.5%	\$31,598,886	3.4%
Fuel & Electricity	1,069,371		1,080,065	1.0%	1,090,866	1.0%	1,101,774	1.0%	1,112,791	1.0%	1,123,919	1.0%
Goods & Services (incl. debt service)	7,984,408		7,939,693	-0.6%	8,014,806	0.9%	8,090,713	0.9%	8,167,663	1.0%	8,245,086	0.9%
Capital Expenditures	180,796		676,680	274.3%	836,345	23.6%	981,561	17.4%	1,086,969	10.7%	1,197,144	10.1%
Total Operating Expenditures	\$36,309,456		\$37,409,552	3.0%	\$38,616,347	3.2%	\$39,721,490	2.9%	\$40,939,033	3.1%	\$42,165,035	3.0%
Net Increase (Decrease)	\$19,307		(\$707,319)		(\$965,934)		(\$921,648)		(\$922,742)		(\$897,156)	
Incremental Change			(\$726,626)		(\$258,615)		\$44,286		(\$1,094)		\$25,586	

**UNIVERSITY OF MAINE SYSTEM MULTI-YEAR PROJECTIONS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
UMF**

	BUDGET		PROJECTIONS								
	FY11	FY12	%	FY13	%	FY14	%	FY15	%	FY16	%
Credit Hour Generation	61,835	62,111	0.4%	62,398	0.5%	62,434	0.1%	62,059	-0.6%	62,076	0.0%
Operating Revenue											
Tuition Revenue	\$18,216,777	\$19,144,147	5.1%	\$20,046,980	4.7%	\$20,654,789	3.0%	\$20,996,294	1.7%	\$21,651,069	3.1%
Fee Revenue	1,665,360	1,745,299	4.8%	1,810,106	3.7%	1,855,820	2.5%	2,006,920	8.1%	2,166,324	7.9%
Dining & Residence Revenue	8,659,432	8,919,215	3.0%	9,186,791	3.0%	9,462,395	3.0%	9,746,267	3.0%	10,038,655	3.0%
Tuition Waivers/Scholarships	(2,654,172)	(2,760,338)	4.0%	(2,870,751)	4.0%	(2,956,873)	3.0%	(3,045,579)	3.0%	(3,136,946)	3.0%
Net Student Charges Revenue	25,887,397.0	27,048,323.0	4.5%	28,173,126.0	4.2%	29,016,131.0	3.0%	29,703,902.0	2.4%	30,719,102.0	3.4%
State Appropriation	10,226,984	10,123,713	-1.0%	10,020,442	-1.0%	10,020,442	0.0%	10,020,442	0.0%	10,020,442	0.0%
State Stabilization-ARRA	417,654	0	-	0	-	0	-	0	-	0	-
Other Revenues (interest, ICR, etc.)	2,150,976	2,196,648	2.1%	2,208,141	0.5%	2,219,749	0.5%	2,231,473	0.5%	2,243,314	0.5%
Total Operating Revenue	\$38,683,011	\$39,368,684	1.8%	\$40,401,709	2.6%	\$41,256,322	2.1%	\$41,955,817	1.7%	\$42,982,858	2.4%
Operating Expenditures											
Salaries, Wages, & Benefits	\$25,918,535	\$26,471,721	2.1%	\$27,376,433	3.4%	\$28,190,092	3.0%	\$29,154,547	3.4%	\$30,116,588	3.3%
Fuel & Electricity	2,172,014	2,280,615	5.0%	2,394,646	5.0%	2,514,379	5.0%	2,640,098	5.0%	2,772,103	5.0%
Goods & Services (incl. debt service)	9,160,134	8,865,756	-3.2%	9,029,444	1.8%	9,190,884	1.8%	9,428,339	2.6%	9,531,203	1.1%
Capital Expenditures	1,398,325	1,455,456	4.1%	1,585,000	8.9%	1,694,459	6.9%	1,746,476	3.1%	1,797,582	2.9%
Total Operating Expenditures	\$38,649,008	\$39,073,548	1.1%	\$40,385,523	3.4%	\$41,589,814	3.0%	\$42,969,460	3.3%	\$44,217,476	2.9%
Net Increase (Decrease)	\$34,003	\$295,136		\$16,186		(\$333,492)		(\$1,013,643)		(\$1,234,618)	
Incremental Change		\$261,133		(\$278,950)		(\$349,678)		(\$680,151)		(\$220,975)	

**UNIVERSITY OF MAINE SYSTEM MULTI-YEAR PROJECTIONS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
UMFK**

	BUDGET		PROJECTIONS								
	FY11	FY12	%	FY13	%	FY14	%	FY15	%	FY16	%
Credit Hour Generation	25,350	24,655	-2.7%	24,385	-1.1%	24,121	-1.1%	23,862	-1.1%	23,608	-1.1%
Operating Revenue											
Tuition Revenue	\$6,397,050	\$6,614,550	3.4%	\$6,839,445	3.4%	\$7,071,986	3.4%	\$7,312,434	3.4%	\$7,561,057	3.4%
Fee Revenue	756,550	764,116	1.0%	771,757	1.0%	779,475	1.0%	787,270	1.0%	795,143	1.0%
Dining & Residence Revenue	1,361,570	1,375,186	1.0%	1,402,690	2.0%	1,416,717	1.0%	1,430,884	1.0%	1,445,193	1.0%
Tuition Waivers/Scholarships	(955,392)	(986,675)	3.3%	(1,019,515)	3.3%	(1,052,942)	3.3%	(1,087,493)	3.3%	(1,123,206)	3.3%
Net Student Charges Revenue	7,559,778.0	7,767,177.0	2.7%	7,994,377.0	2.9%	8,215,236.0	2.8%	8,443,095.0	2.8%	8,678,187.0	2.8%
State Appropriation	4,227,170	4,184,522	-1.0%	4,141,874	-1.0%	4,141,874	0.0%	4,141,874	0.0%	4,141,874	0.0%
State Stabilization-ARRA	156,062	0	-	0	-	0	-	0	-	0	-
Other Revenues (interest, ICR, etc.)	735,003	748,390	1.8%	767,424	2.5%	781,762	1.9%	796,582	1.9%	811,902	1.9%
Total Operating Revenue	\$12,678,013	\$12,700,089	0.2%	\$12,903,675	1.6%	\$13,138,872	1.8%	\$13,381,551	1.8%	\$13,631,963	1.9%
Operating Expenditures											
Salaries, Wages, & Benefits	\$8,668,182	\$8,864,261	2.3%	\$9,166,856	3.4%	\$9,440,230	3.0%	\$9,762,731	3.4%	\$10,085,293	3.3%
Fuel & Electricity	749,525	772,011	3.0%	795,171	3.0%	819,026	3.0%	843,597	3.0%	868,905	3.0%
Goods & Services (incl. debt service)	3,260,306	3,342,066	2.5%	3,418,574	2.3%	3,513,359	2.8%	3,583,794	2.0%	3,686,782	2.9%
Capital Expenditures	0	187,399	-	220,708	17.8%	263,341	19.3%	305,864	16.1%	358,937	17.4%
Total Operating Expenditures	\$12,678,013	\$13,165,737	3.8%	\$13,601,309	3.3%	\$14,035,956	3.2%	\$14,495,986	3.3%	\$14,999,917	3.5%
Net Increase (Decrease)	\$0	(\$465,648)		(\$697,634)		(\$897,084)		(\$1,114,435)		(\$1,367,954)	
Incremental Change		(\$465,648)		(\$231,986)		(\$199,450)		(\$217,351)		(\$253,519)	

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR PROJECTIONS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
UMM

	<u>BUDGET</u>		<u>PROJECTIONS</u>								
	<u>FY11</u>	<u>FY12</u>	<u>%</u>	<u>FY13</u>	<u>%</u>	<u>FY14</u>	<u>%</u>	<u>FY15</u>	<u>%</u>	<u>FY16</u>	<u>%</u>
Credit Hour Generation	18,457	18,625	0.9%	18,625	0.0%	18,625	0.0%	18,625	0.0%	18,625	0.0%
Operating Revenue											
Tuition Revenue	\$5,202,567	\$5,462,695	5.0%	\$5,735,830	5.0%	\$6,022,622	5.0%	\$6,323,753	5.0%	\$6,639,941	5.0%
Fee Revenue	317,000	332,850	5.0%	349,493	5.0%	366,968	5.0%	385,316	5.0%	404,582	5.0%
Dining & Residence Revenue	1,855,282	1,985,152	7.0%	2,104,261	6.0%	2,230,517	6.0%	2,364,348	6.0%	2,506,209	6.0%
Tuition Waivers/Scholarships	(1,452,721)	(1,525,357)	5.0%	(1,601,625)	5.0%	(1,681,706)	5.0%	(1,765,791)	5.0%	(1,854,081)	5.0%
Net Student Charges Revenue	5,922,128.0	6,255,340.0	5.6%	6,587,959.0	5.3%	6,938,401.0	5.3%	7,307,626.0	5.3%	7,696,651.0	5.3%
State Appropriation	4,285,925	4,242,749	-1.0%	4,199,573	-1.0%	4,199,573	0.0%	4,199,573	0.0%	4,199,573	0.0%
State Stabilization-ARRA	158,445	0	-	0	-	0	-	0	-	0	-
Other Revenues (interest, ICR, etc.)	546,113	562,737	3.0%	580,255	3.1%	598,679	3.2%	618,062	3.2%	638,498	3.3%
Total Operating Revenue	\$10,912,611	\$11,060,826	1.4%	\$11,367,787	2.8%	\$11,736,653	3.2%	\$12,125,261	3.3%	\$12,534,722	3.4%
Operating Expenditures											
Salaries, Wages, & Benefits	\$6,917,455	\$7,077,221	2.3%	\$7,320,989	3.4%	\$7,541,846	3.0%	\$7,801,520	3.4%	\$8,061,386	3.3%
Fuel & Electricity	760,282	803,547	5.7%	852,989	6.2%	925,294	8.5%	1,004,654	8.6%	1,091,826	8.7%
Goods & Services (incl. debt service)	3,031,643	3,284,746	8.3%	3,362,408	2.4%	3,408,431	1.4%	3,484,682	2.2%	3,501,987	0.5%
Capital Expenditures	203,231	229,332	12.8%	269,474	17.5%	295,753	9.8%	334,024	12.9%	368,188	10.2%
Total Operating Expenditures	\$10,912,611	\$11,394,846	4.4%	\$11,805,860	3.6%	\$12,171,324	3.1%	\$12,624,880	3.7%	\$13,023,387	3.2%
Net Increase (Decrease)	\$0	(\$334,020)		(\$438,073)		(\$434,671)		(\$499,619)		(\$488,665)	
Incremental Change		(\$334,020)		(\$104,053)		\$3,402		(\$64,948)		\$10,954	

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR PROJECTIONS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
UMPI

	BUDGET		PROJECTIONS								
	FY11	FY12	%	FY13	%	FY14	%	FY15	%	FY16	%
Credit Hour Generation	29,654	29,689	0.1%	29,859	0.6%	30,221	1.2%	30,606	1.3%	31,254	2.1%
Operating Revenue											
Tuition Revenue	\$7,140,339	\$7,176,041	0.5%	\$7,219,097	0.6%	\$7,305,726	1.2%	\$7,400,700	1.3%	\$7,556,115	2.1%
Fee Revenue	579,155	584,105	0.9%	584,359	0.0%	587,399	0.5%	595,889	1.4%	608,296	2.1%
Dining & Residence Revenue	1,930,605	2,027,135	5.0%	2,128,492	5.0%	2,234,917	5.0%	2,346,663	5.0%	2,463,996	5.0%
Tuition Waivers/Scholarships	(1,131,337)	(1,139,476)	0.7%	(1,148,861)	0.8%	(1,164,958)	1.4%	(1,182,464)	1.5%	(1,209,240)	2.3%
Net Student Charges Revenue	8,518,762.1	8,647,805.0	1.5%	8,783,087.0	1.6%	8,963,084.0	2.0%	9,160,788.0	2.2%	9,419,167.0	2.8%
State Appropriation	6,340,532	6,276,736	-1.0%	6,212,940	-1.0%	6,212,940	0.0%	6,212,940	0.0%	6,212,940	0.0%
State Stabilization-ARRA	234,094	0	-	0	-	0	-	0	-	0	-
Other Revenues (interest, ICR, etc.)	815,766	815,709	0.0%	815,709	0.0%	815,709	0.0%	815,709	0.0%	815,709	0.0%
Total Operating Revenue	\$15,909,154	\$15,740,250	-1.1%	\$15,811,736	0.5%	\$15,991,733	1.1%	\$16,189,437	1.2%	\$16,447,816	1.6%
Operating Expenditures											
Salaries, Wages, & Benefits	\$11,221,339	\$11,477,449	2.3%	\$11,879,170	3.5%	\$12,241,436	3.0%	\$12,669,608	3.5%	\$13,097,149	3.4%
Fuel & Electricity	1,135,494	1,158,051	2.0%	1,185,606	2.4%	1,213,843	2.4%	1,242,781	2.4%	1,272,437	2.4%
Goods & Services (incl. debt service)	3,471,958	3,583,050	3.2%	3,684,386	2.8%	3,792,293	2.9%	3,909,022	3.1%	4,030,134	3.1%
Capital Expenditures	80,363	499,568	521.6%	538,264	7.7%	590,907	9.8%	654,217	10.7%	712,180	8.9%
Total Operating Expenditures	\$15,909,154	\$16,718,118	5.1%	\$17,287,426	3.4%	\$17,838,479	3.2%	\$18,475,628	3.6%	\$19,111,900	3.4%
Net Increase (Decrease)	\$0	(\$977,868)		(\$1,475,690)		(\$1,846,746)		(\$2,286,191)		(\$2,664,084)	
Incremental Change		(\$977,868)		(\$497,822)		(\$371,056)		(\$439,445)		(\$377,893)	

UNIVERSITY OF MAINE SYSTEM MULTI-YEAR PROJECTIONS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
USM

	BUDGET		PROJECTIONS									
	FY11		FY12	%	FY13	%	FY14	%	FY15	%	FY16	%
Credit Hour Generation	210,604		210,146	-0.2%	209,844	-0.1%	209,543	-0.1%	209,243	-0.1%	209,097	-0.1%
Operating Revenue												
Tuition Revenue	\$66,726,941		\$69,863,107	4.7%	\$73,146,673	4.7%	\$76,584,567	4.7%	\$80,184,042	4.7%	\$83,952,692	4.7%
Fee Revenue	10,750,310		11,189,164	4.1%	11,648,644	4.1%	12,129,719	4.1%	12,633,405	4.2%	13,160,764	4.2%
Dining & Residence Revenue	13,933,749		14,282,093	2.5%	14,639,145	2.5%	15,005,124	2.5%	15,380,252	2.5%	15,764,758	2.5%
Tuition Waivers/Scholarships	(7,035,912)		(7,387,708)	5.0%	(7,757,093)	5.0%	(8,144,948)	5.0%	(8,552,196)	5.0%	(8,979,806)	5.0%
Net Student Charges Revenue	84,375,088.0		87,946,656.0	4.2%	91,677,369.0	4.2%	95,574,462.0	4.3%	99,645,503.0	4.3%	103,898,408.0	4.3%
State Appropriation	41,243,306		40,831,456	-1.0%	40,419,606	-1.0%	40,419,606	0.0%	40,419,606	0.0%	39,940,606	-1.2%
State Stabilization-ARRA	1,511,184		0	-	0	-	0	-	0	-	0	-
Other Revenues (interest, ICR, etc.)	14,060,725		14,649,393	4.2%	15,046,728	2.7%	15,463,930	2.8%	15,901,992	2.8%	16,361,957	2.9%
Total Operating Revenue	\$141,190,303		\$143,427,505	1.6%	\$147,143,703	2.6%	\$151,457,998	2.9%	\$155,967,101	3.0%	\$160,200,971	2.7%
Operating Expenditures												
Salaries, Wages, & Benefits	\$100,785,774		\$103,580,908	2.8%	\$107,696,566	4.0%	\$111,496,489	3.5%	\$115,925,211	4.0%	\$120,391,558	3.9%
Fuel & Electricity	4,802,181		4,778,170	-0.5%	4,754,279	-0.5%	4,730,508	-0.5%	4,706,856	-0.5%	4,683,322	-0.5%
Goods & Services (incl. debt service)	34,396,572		34,238,910	-0.5%	34,739,213	1.5%	35,258,184	1.5%	35,903,163	1.8%	35,878,206	-0.1%
Capital Expenditures	990,176		1,842,226	86.1%	2,301,651	24.9%	2,606,272	13.2%	2,970,798	14.0%	3,814,956	28.4%
Total Operating Expenditures	\$140,974,703		\$144,440,214	2.5%	\$149,491,709	3.5%	\$154,091,453	3.1%	\$159,506,028	3.5%	\$164,768,042	3.3%
Net Increase (Decrease)	\$215,600		(\$1,012,709)		(\$2,348,006)		(\$2,633,455)		(\$3,538,927)		(\$4,567,071)	
Incremental Change			(\$1,228,309)		(\$1,335,297)		(\$285,449)		(\$905,472)		(\$1,028,144)	

**UNIVERSITY OF MAINE SYSTEM MULTI-YEAR PROJECTIONS - DYNAMIC TREND
UNRESTRICTED OPERATIONS (E&G, Designated, Auxiliary)
SYSTEMWIDE SERVICES**

	BUDGET		PROJECTIONS								
	FY11	FY12	%	FY13	%	FY14	%	FY15	%	FY16	%
Credit Hour Generation	0	0	-	0	-	0	-	0	-	0	-
Operating Revenue											
Tuition Revenue	\$0	\$0	-	\$0	-	\$0	-	\$0	-	\$0	-
Fee Revenue	0	0	-	0	-	0	-	0	-	0	-
Dining & Residence Revenue	0	0	-	0	-	0	-	0	-	0	-
Tuition Waivers/Scholarships	(38,275)	(40,189)	5.0%	(42,198)	5.0%	(44,308)	5.0%	(46,523)	5.0%	(48,849)	5.0%
Net Student Charges Revenue	(38,275.0)	(40,189.0)	5.0%	(42,198.0)	5.0%	(44,308.0)	5.0%	(46,523.0)	5.0%	(48,849.0)	5.0%
State Appropriation	13,845,867	13,706,645	-1.0%	13,567,423	-1.0%	13,567,423	0.0%	13,567,423	0.0%	13,462,423	-0.8%
State Stabilization-ARRA	0	0	-	0	-	0	-	0	-	0	-
Other Revenues (interest, ICR, etc.)	3,022,761	3,113,171	3.0%	3,022,627	-2.9%	2,839,232	-6.1%	2,846,989	0.3%	2,854,901	0.3%
Total Operating Revenue	\$16,830,353	\$16,779,627	-0.3%	\$16,547,852	-1.4%	\$16,362,347	-1.1%	\$16,367,889	0.0%	\$16,268,475	-0.6%
Operating Expenditures											
Salaries, Wages, & Benefits	\$14,005,928	\$14,401,400	2.8%	\$14,941,906	3.8%	\$15,408,106	3.1%	\$15,952,358	3.5%	\$16,491,982	3.4%
Fuel & Electricity	65,270	68,534	5.0%	71,960	5.0%	75,558	5.0%	79,336	5.0%	83,303	5.0%
Goods & Services (incl. debt service)	2,116,642	1,410,078	-33.4%	1,321,534	-6.3%	1,262,119	-4.5%	1,221,482	-3.2%	1,183,984	-3.1%
Capital Expenditures	360,513	1,682,129	366.6%	1,984,746	18.0%	2,287,069	15.2%	2,589,087	13.2%	2,890,786	11.7%
Total Operating Expenditures	\$16,548,353	\$17,562,141	6.1%	\$18,320,146	4.3%	\$19,032,852	3.9%	\$19,842,263	4.3%	\$20,650,055	4.1%
Net Increase (Decrease)	\$282,000	(\$782,514)		(\$1,772,294)		(\$2,670,505)		(\$3,474,374)		(\$4,381,580)	
Incremental Change		(\$1,064,514)		(\$989,780)		(\$898,211)		(\$803,869)		(\$907,206)	