**Board of Trustees Update**

1) Academic and Student affairs (11 March 2016)
2) Finance and Technology (11 March 2016)
3) Investment Committee (14 March 2016)
4) Chancellor Page Update (14 March 2016)
5) Core Financial Ratios (13 March 2016)

**Academic & Student Affairs Committee**

- Significant discussion about the Academic Transformation Plan.
- This item was slated to be first in the BOT meeting, and it was taken off the agenda.
- Undergraduate Enrollment is up 3.5% → 2012 & the same as last year
  - MBS is up 45% from 2012 and up 13% from last year
  - ENG is up 31% from 2012 and up 5% from last year
- Across the system this is not the trend.
- UMaine teaches: 126,374 STE
  - Up 6% since 2012
- All other system: 164,510 STE
  - Down 15% since 2012

**Finance and Technology Meeting**

- Initial budget deficit is $20M
- $3M Unallocated administrative savings (just sitting there)
- 2.3% increase in tuition and fees
- The Governor proposed an increase in our base budget of $2.3M This money will come to us like tuition.
- Passed at the BOT meeting.

- Strategic Integration Reserve: $1,550,000 for IT
- IT staffing analysis: $50,000 (evaluate IT compensation)
- Expand IT Direct Support for teaching
  - $200,000 in FY 2016 and $900,000 in FY 2017
- Mainestreet Update: $497,000
- A second Strategic Allocation for $3,000,000
  - For UMFK, UMPI and UMM
Finance and Technology Meeting

- $50M Bond has been approved
  - $25M will go to pay back previous bonds
  - $23M for the technology plan
    - IT Labor Study (some of this is covered with different money)
    - Wireless Technology Initiative
    - Classrooms for the Future
    - Mainestreet Modifications (some of this is covered with different money)
- $2M will be used to take down a building at UMM

Average $ on Instruction Less Faculty Salary Divided by Students

![Average $ on Instruction Less Faculty Salary Divided by Students](image)

Finance and Technology Meeting

- Establishment of the Steven King Chair at UMaine ($1M- from Alfond foundation). This will be a national search.
- Bringing in a talented and dedicated scholar will help keep and revenue the creativity in the English Department.
- University of Maine will demolish the Kappa Sigma house (near the beta lot) and build parking.

Investment Committee

- We are down $20M in 19 months. This is a combination of losses in the market and the fees we paid to loose these funds; discussion of divestment.
- I suggested that as a part of divesting we should raise parking fees. Because as I understand this- it is managed at the campus level- thus we could keep the money.
- But then I learned that our contract says Parking can not exceed $35
- Last year we paid $2M to loose $1M.
- Thoughts?
**Chancellor Page’s Update**

- UMS undergone major cuts; 900 less FTE’s than 6 years ago.
- UMS must look for efficiencies to enhance cost effectiveness.
- Portland Professional Project allocated an additional $500,000.
- **Unified Online**: has been put on hold, so this is delayed until May. Thus it is critical that we get that in our work in Faculty Senate.
- **Academic Transformation**: Chaffee Report has been put on hold.
- Beginning the search for the Vice Chancellor of Academic Affairs.

**Chancellors Report**

- Chancellor received so many questions about One University that he has appointed a special committee to operationalize (Trustee Irwin).
- Using the 5 strategic targets (on the BOT website). Trustee Irwin will outline a plan of action to attain One University.
- The committee will translate this into actual steps for people to understand and create Key Strategic Outcomes (KSO) these should be the governing outcomes.
- There are many initiatives, that must be translated into a clear model--- fast!

**Core Financial Ratios**

- **Primary Reserve Ratio**: UMaine < 39% – expected 40%
- **Net Operating Revenues Ratio**: UMaine < (-3%) – expected 2%
- **The Return on Net Position Ratio**: UMaine < (-3%) expected 6%
- **Viability Ratio**: UMaine > 1.52% expected 1.25%
- **Composite Financial Index**: UMaine 1.8% expected low benchmark – is 3%, high is 10%
- These numbers raised concerns across the BOT about our rating.
The Primary Reserve Ratio: We are just below 0.40.

The Net Operating Revenues Ratio: We are not doing well at this – we are at -3% well below the expected 2%.

The Return on Net Position Ratio

Viability Ratio
Core Financial Ratio Composite

- Composite Financial Index suggests we are struggling.
- Composite Financial Index suggests we need to consider structured program changes.
- This is a deep decline in revenues.
- No tuition increase, state appropriation was flat and we lost money in the market.

We are in a delicate place.
- Our decisions must be carefully formulated.
- Moody: Wyke is suggesting that we are ok, if you look across the whole picture.
- Grog: Given that we have >53% old buildings & S&P rating may decline.