



# Preliminary FY2021 Education and General Budget Discussion

December 4, 2019



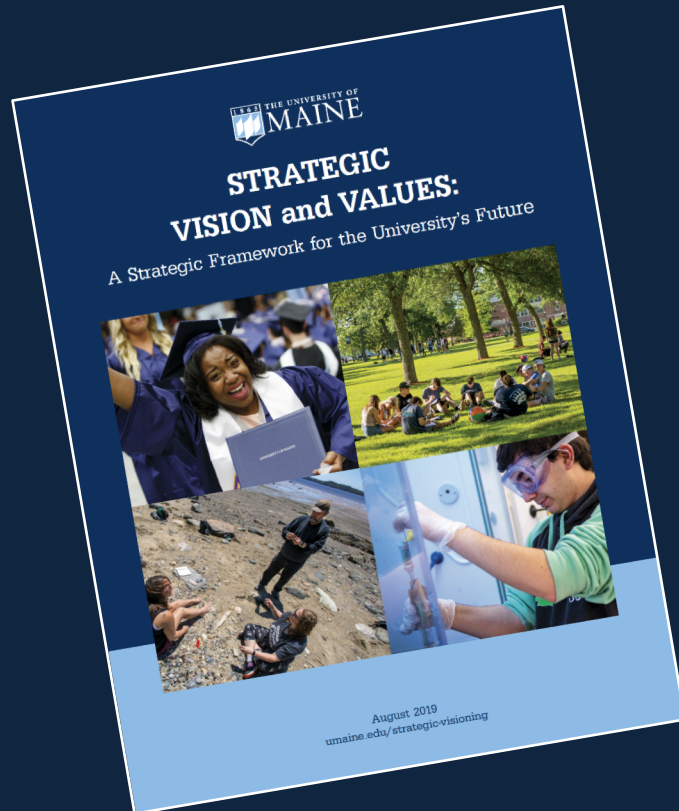
What drives our budget? Values, goals, and principles drive an increasingly transparent budget building process.

What are the basics of how our budget works?

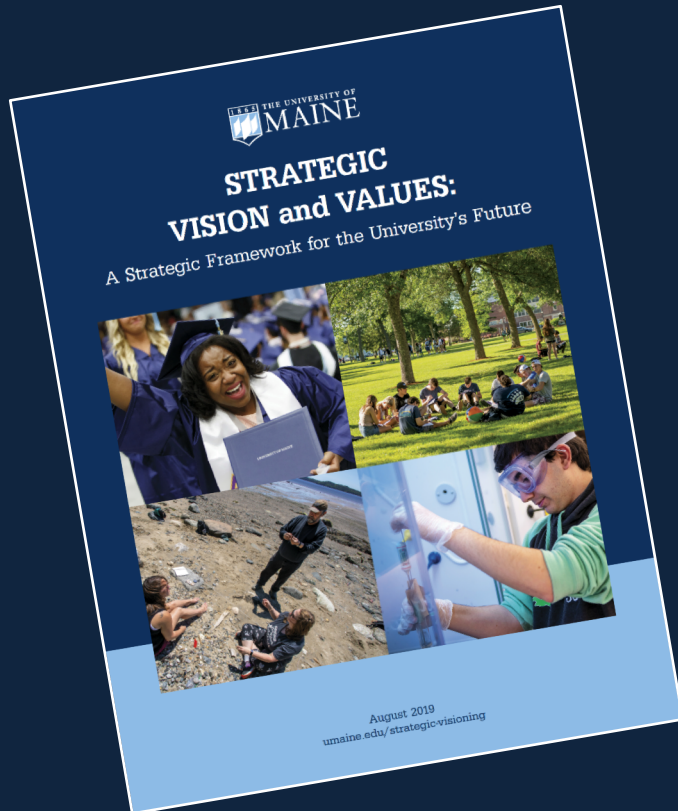
What are key levers for shaping our budget?

Timeline and process

Next steps



**Our budget  
planning follows  
from our vision  
and values.**



- **framework**
- **living document**
- **goals**

**[umaine.edu/visionandvalues](https://umaine.edu/visionandvalues)**

**Value:**  
**Fostering Learner Success**

**We welcome and support  
all learners, and engage them  
in experiential learning.**

**Value:**  
**Discovering and Innovating**

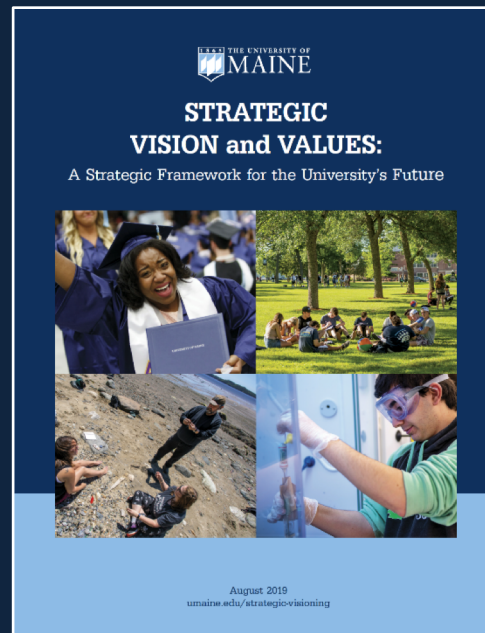
**We create new knowledge,  
and apply innovative research  
and scholarship to enrich lives.**

**Value:**  
**Growing and Advancing Partnerships**

**We grow and advance partnerships to  
catalyze the cultural, economic and  
civic future of Maine and beyond.**

## Major focal points:

- Strategic Vision and Values
- Research and Development Plan
- First-Year Student Success Initiatives





# Transparency and engagement in budget-building



**Campus meetings: Budget preparation and allocation**

## November 2019: Budget allocation discussions with deans, directors and campus community

Guiding principles based on:

- The SVV framework – values and goals
- Students as priorities
- Reductions in expenses
- New revenue generation
- Research and scholarship

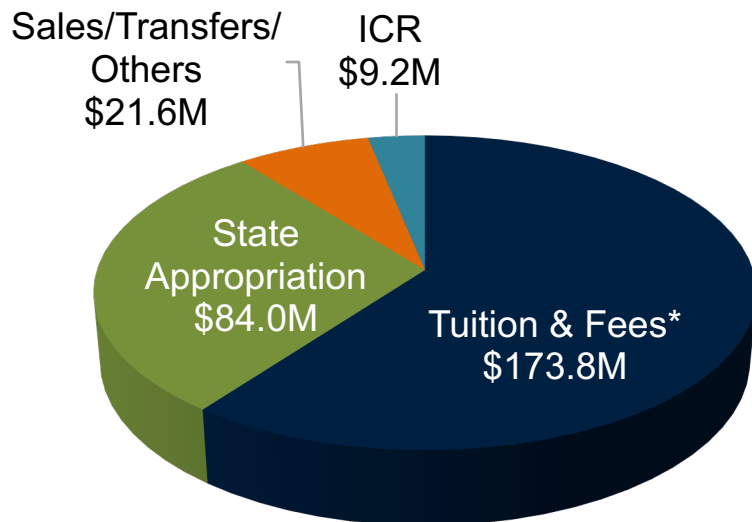


# How do we build our budget?

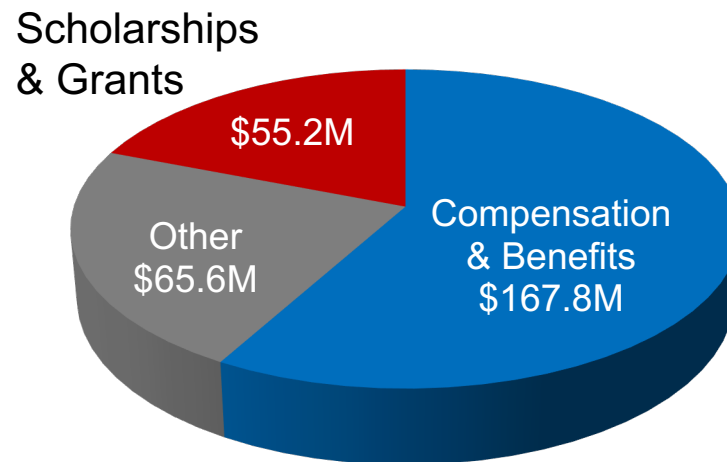


## What is our FY2020 budget? \$288.6M

### Revenue



### Expense



\*net of \$3.1M Waivers

## Ways of increasing revenue

- Recruitment
- Retention
- Research expenditures

## Ongoing recruitment efforts for fall 2020

- Visiting high schools, community colleges and fairs
- Generating early applications
- Calling and sending customized email
- Preparing financial aid packages
- Hosting campus tours
- Reaching out with billboards, bus wraps and metro ads



## October 2019: Enrollment projection process for fall 2020

- First-time freshmen, transfer students, in-state/out-of-state/international; retention estimates
- 3-year moving average
- Benchmarked by WICHE and trends in Maine
- Checked for accuracy over time and within 1% of projections, since 2015 (other than first-time for FY2020)
- Realistic projection for fall 2020 – level enrollment, student credit hours slightly down from fall 2019

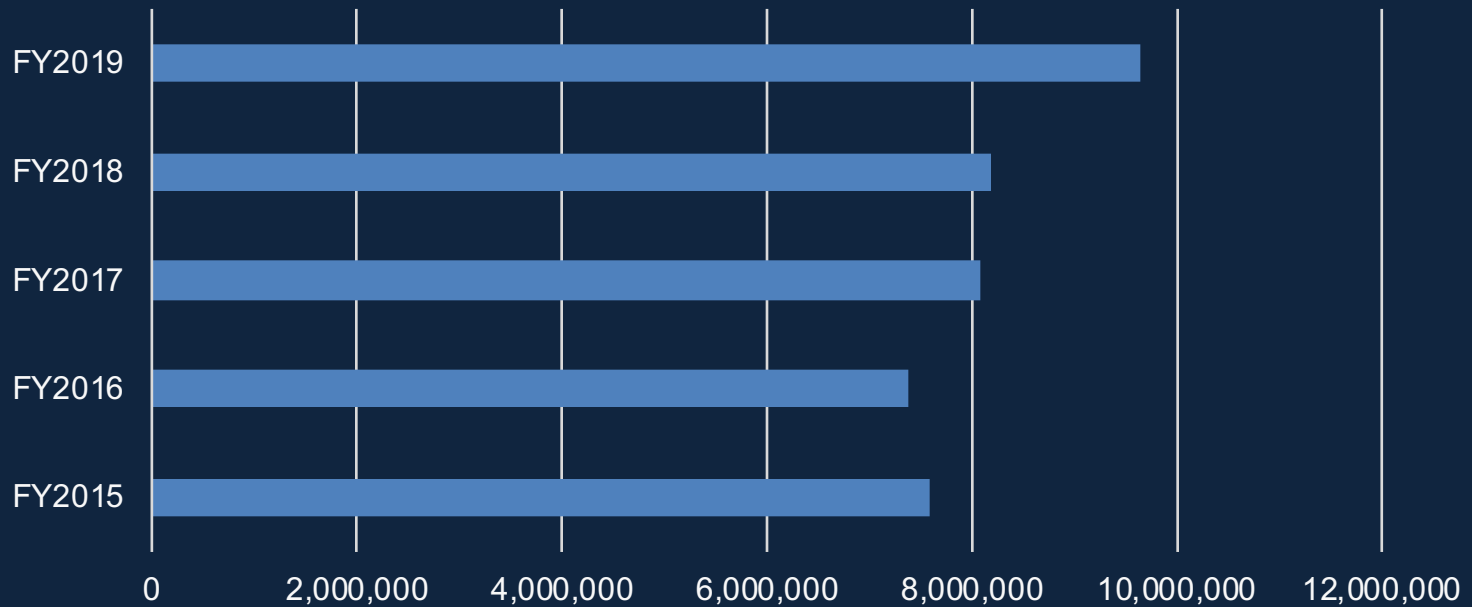
## Ideas for increasing retention

- Navigate
- Living-learning communities
- Financial aid
- First-year “gateway” courses
- New student orientation
- Summer preparation courses
- Valid placement assessment
- Experiential and research learning opportunities
- New partnerships for Counseling Center
- Others?



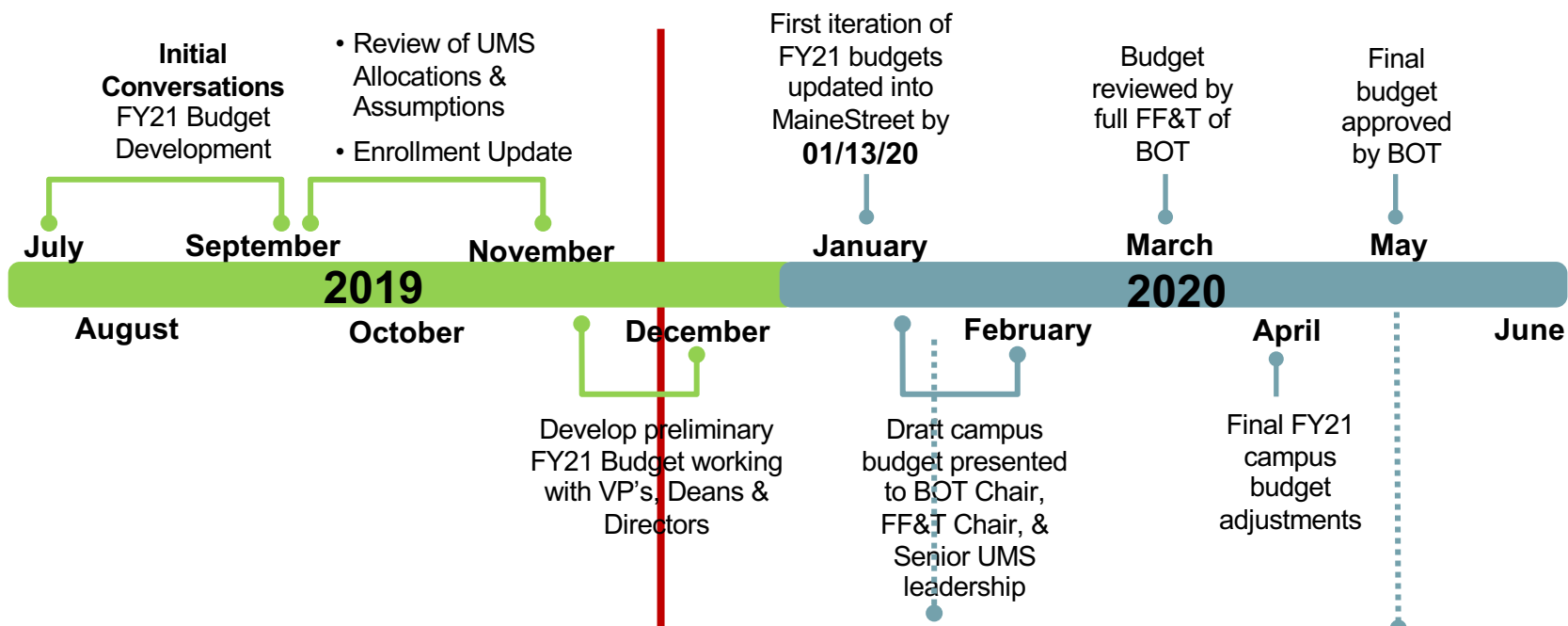
# Research expenditures generate revenue

## Indirect Cost Recovery



# Timeline

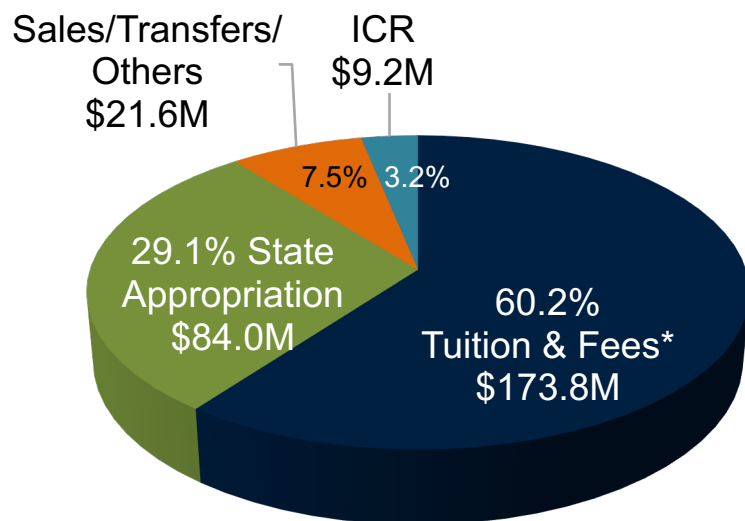
**Key**  
 E&G = Education & General  
 FF&T = Finance, Facilities & Technology  
 BOT = Board of Trustees



Campus Budget Presentations	Oct. 16	Nov. 6 & 22	Dec. 4	Jan. 13	May
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# What is our FY2020 budget? \$288.6M

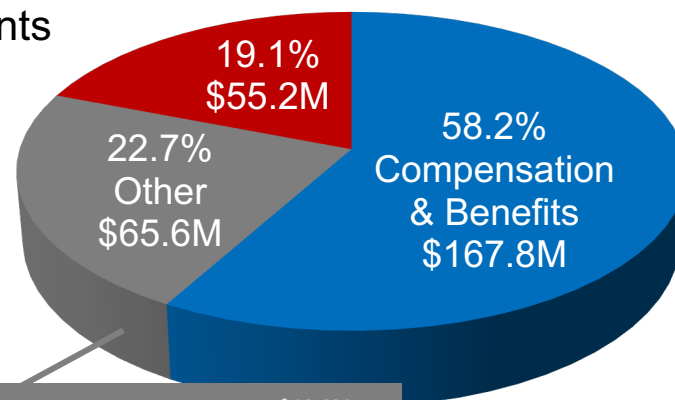
## Revenue \$288.6M



\*net of \$3.1M Waivers

## Expenses \$288.6M

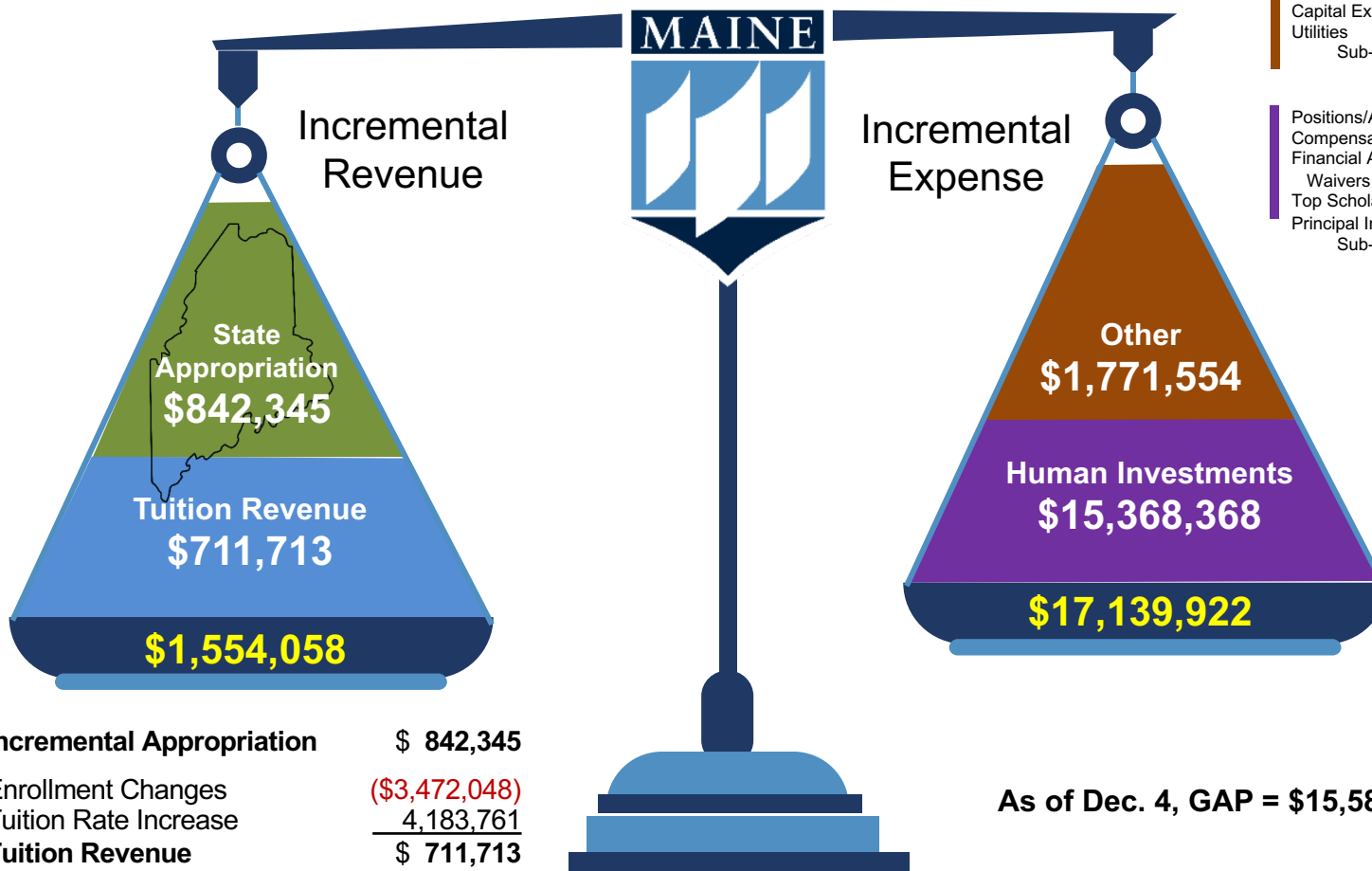
### Scholarships & Grants



Other	\$18.3M
Fuel & Electricity (net of Credits)	\$10.4M
Capital (Debt Service, Equip, Plant Transfers)	\$7.5M
Library Acquisitions	\$6.7M
Shared Services	\$19.8M
Travel	\$2.9M

## **Projecting incremental changes to the FY2020 budget for FY2021 estimates:**

- What is expected for incremental revenue?
- What is expected for incremental expenses?



Shared Services	\$ 1,112,530
Insurance	209,024
Capital Expenditures	300,000
Utilities	150,000
<b>Sub-Total:</b>	<b>\$ 1,771,554</b>

Positions/Activity	3,536,933
Compensation	7,935,000
Financial Aid	3,000,000
Waivers	606,435
Top Scholars	40,000
Principal Investigators	250,000
<b>Sub-Total:</b>	<b>\$ 15,368,368</b>

Incremental Appropriation	\$ 842,345
Enrollment Changes	(\$3,472,048)
Tuition Rate Increase	4,183,761
<b>Tuition Revenue</b>	<b>\$ 711,713</b>

As of Dec. 4, 2019

Incremental Revenue	\$ 1,554,058
Incremental Expense	\$17,139,922
<b>GAP:</b>	<b>\$15,585,864</b>

## How will we address this gap?

- Increase revenues
- Decrease expenses
- Increase indirect cost recovery
- Base campus realignment (\$8M)
- Ongoing discussions to resolve over the next several months

## Next Steps

**As stated in the Strategic Vision and Values plan under Goal 2:**

2.2.3

We will develop a budgeting process that is responsive and transparent, aligns resources with strategic priorities, and creates incentive/reward structures that support advancement toward university goals.



## We will set our course

### Strategic Vision and Values:

Foster Learner Success  
Discover and Innovate  
Advance Partnerships

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# Questions and Discussions

