FY18 Preliminary Education & General Budget Discussion

November 15, 2016

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
- FY17 E&G Revenue & Expense
  
  Pause for Discussion

- Undergraduate Enrollment
- Land Grant Comparisons
- Graduate Enrollment
  
  Pause for Discussion

- Budget Levers
- Next Steps
  
  Discussion
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)

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>Jan</td>
</tr>
<tr>
<td>Aug</td>
<td>Feb</td>
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<tr>
<td>Sept</td>
<td>Mar</td>
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<tr>
<td>Oct</td>
<td>Apr</td>
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<tr>
<td>Nov</td>
<td>May</td>
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<tr>
<td>Dec</td>
<td>Jun</td>
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<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>July</td>
<td>Campus FY18 Budget Development Initial Conversations</td>
</tr>
<tr>
<td>Aug</td>
<td>• Enrollment update</td>
</tr>
<tr>
<td></td>
<td>• Review of allocations &amp; assumptions</td>
</tr>
<tr>
<td>Sept</td>
<td>Finalize preliminary FY18 Budget Working with VP’s, Deans &amp; Directors</td>
</tr>
<tr>
<td>Oct</td>
<td>1st iteration of FY18 budgets updated into MaineStreet by 01/15/17</td>
</tr>
<tr>
<td>Nov</td>
<td>Initial campus budget review by members of FF&amp;T</td>
</tr>
<tr>
<td>Dec</td>
<td>UMaine budget reviewed by FF&amp;T of BOT</td>
</tr>
<tr>
<td>Jan</td>
<td>BOT final budget approval</td>
</tr>
</tbody>
</table>

Key:
- FF&T = Finance, Facilities & Technology
- BOT = Board of Trustees

- November 15th Campus Budget Discussion
- January 25th Campus Budget Discussion
- March (TBD) Campus Budget Discussion
- May (TBD) Campus Budget Discussion
FY17 E&G Revenue & Expense

E&G Expenditures $253.4M
(does not include $13.4M in depreciation)

E&G Revenue $253.4M

Tuition & Fees (Net of $3.0M waivers) $144.1M

Sales/Transfer/Other $18.4M

Indirect Costs $8.4M

Unrestricted State Appropriation $82.5M

Scholarships $42.6M

Compensation & Benefits $151.6M

4.0% Fuel & Electricity $10.1M
2.4% Capital $6.2M
2.4% Library Acquisit. $6.1M
6.8% Shared Services $17.3M
1.0% Travel $2.5M
6.8% Other $17.0M

All Other $59.2M
Fall 2017 First Year Enrollment Goal

2,300 first year students on October 15, 2017 (census)

Fall 2016 first year students = 2,230
• largest in UMaine’s history
• previous record – 2,166 fall 2013

Challenges

Partnering with other UMS campuses to deliver the student Foundations Program

Capping enrollment in popular majors

• Bioengineering
• Mechanical Engineering
• Construction Engineering Technology
• Mechanical Engineering Technology
• Nursing
Is this realistic? Yes.

**Enrollment Management Indicators**

**As of Nov. 15, 2016**

<table>
<thead>
<tr>
<th>Inquiries</th>
<th>High School Visits</th>
<th>Open House Student Attendees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2017</td>
<td>57,998</td>
<td>Fall 2016 1,237</td>
</tr>
<tr>
<td>Fall 2016</td>
<td>46,120</td>
<td>Nov. 2016 473</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oct. 2016 411</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oct. 2015 232</td>
</tr>
</tbody>
</table>

**Financial Aid**

- **Flagship Match expanded**
  - Rhode Island
  - Illinois
  - California
- **Maine Top Scholars Program**
  - Continue Maine Match program
  - Top 20 Maine Applicants
  - Awards to Top Maine Science Fair
Fall 2017 Admissions Report

As of Nov. 10, 2016

Applied

<table>
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<tr>
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<tbody>
<tr>
<td></td>
<td>1,094</td>
<td>641</td>
<td>2,621</td>
<td>1,987</td>
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Admitted

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<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>243</td>
<td>22</td>
<td>526</td>
<td>31</td>
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</table>

Confirmed

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<tbody>
<tr>
<td></td>
<td>22</td>
<td>15</td>
<td>23</td>
<td>17</td>
</tr>
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</table>
New England Land Grants

FALL 2016

RATIO OF IN-STATE/OUT-OF-STATE STUDENTS

<table>
<thead>
<tr>
<th></th>
<th>UVM</th>
<th>UNH</th>
<th>URI</th>
<th>UM</th>
<th>UMASS</th>
<th>UCONN</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-State</td>
<td>28%</td>
<td>46%</td>
<td>54%</td>
<td>68%</td>
<td>78%</td>
<td>77%</td>
</tr>
<tr>
<td>Out-of-State</td>
<td>72%</td>
<td>54%</td>
<td>46%</td>
<td>32%</td>
<td>22%</td>
<td>23%</td>
</tr>
</tbody>
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UMaine
Increase in Out-of-State Undergraduate Degree-Seeking Students

<table>
<thead>
<tr>
<th>Year</th>
<th>In-State</th>
<th>Out-of-State</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>17%</td>
<td>72%</td>
</tr>
<tr>
<td>2011</td>
<td>18%</td>
<td>72%</td>
</tr>
<tr>
<td>2012</td>
<td>20%</td>
<td>72%</td>
</tr>
<tr>
<td>2013</td>
<td>22%</td>
<td>72%</td>
</tr>
<tr>
<td>2014</td>
<td>26%</td>
<td>72%</td>
</tr>
<tr>
<td>2015</td>
<td>28%</td>
<td>72%</td>
</tr>
<tr>
<td>2016</td>
<td>32%</td>
<td>72%</td>
</tr>
</tbody>
</table>

Increase of 15 % points over 7 years

First-year Class Profile

56% In-State 44% Out-of-State
UMaine Undergraduates

Degree-Seeking Enrollment and Projected Maine High School Graduates (2000–2025)

% Change from 2000

Increase
Headcount: 538
FTE: 957
Credit Hours: 14,360

Fall 2003
Headcount: 8,219
FTE: 7,392
Credit Hours: 110,879

Fall 2016
Headcount: 8,757
FTE: 8,349
Credit Hours: 125,239

UMaine Undergraduates

Unpacking In-State/Out-of-State Credit Hours

% Change from 2000

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Credit Hours</th>
<th>Out-of-State</th>
<th>In-State</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>110,879</td>
<td>18,252</td>
<td>92,627</td>
</tr>
<tr>
<td>2016</td>
<td>125,239</td>
<td>40,617</td>
<td>84,622</td>
</tr>
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</table>

5-Yr Undergraduate
Fall Credit Hour Enrollment Changes

5-Yr increase of 10,830 Credit Hours
New England Land Grant

Ratio of Out-of-State Students Comparison

2010 / 2016

<table>
<thead>
<tr>
<th>Institution</th>
<th>2010</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>UVM</td>
<td>67%</td>
<td>72%</td>
</tr>
<tr>
<td>UNH</td>
<td>37%</td>
<td>54%</td>
</tr>
<tr>
<td>URI</td>
<td>37%</td>
<td>46%</td>
</tr>
<tr>
<td>UMaine</td>
<td>17%</td>
<td>32%</td>
</tr>
<tr>
<td>UMass</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>UConn</td>
<td>25%</td>
<td>23%</td>
</tr>
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Summary Points

• UMaine’s financial health depends upon increasing enrollment and improving retention.

• We have set an ambitious Fall 2017 goal.

• Meeting the target goal enrollment IS realistic.

  BUT

• To succeed, enrollment and retention have to be campus priorities. BECAUSE

• Competition among New England Land Grants universities for out-of-state enrollment is fierce.
What about Grad enrollment?

5-Yr Graduate Fall Credit Hour Enrollment Changes

5-Yr decrease of 1,518 Credit Hours
What are we doing about Graduate Enrollment?

- MBA and MSW available online
- Increase statewide and national awareness of UMaine graduate offering
  - Promoting pathways to graduate study to student at other UMS campuses
  - Direct name purchases of test takers for the GRE and GMAT (targeting professional programs with capacity)
  - Outreach through social media (e.g. Facebook and Twitter)
  - Outreach to professional organizations and businesses that hire professional program graduates (e.g. K12)
- Reworking Graduate School and selected department website to be more recruitment focused
- Streamline admission processes to reduce application to admission time
- TargetX CRM to make communication with prospects, applicants, and admitted students more frequent, responsive and efficient
- Promote 4+1 programs to UMaine students
- Developing non-thesis options where appropriate
Pause for Discussion
FY18 UMaine Budget Levers

**Revenue**

**Non-Discretionary**
- Tuition & Fees
  - In-State & Out-of-State Increase
  - State Mandated Waivers
  - Increase in Unpaid Student Accounts

- State Appropriation

**Expense**

**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

**Discretionary**
- Compensation
  - Salary & Wage Negotiated Increases
  - Employee Salary & Wage Benefits

- Operational Increases
  - Facility Insurances
  - University Shared Services
  - Required Increase in Capital Funding
Next Steps

1. Refine FY18 revenue/expense budget by the end of the month
2. Assign preliminary FY18 budgets to VP’s, Deans, and Directors
3. **December 1**: Unified Budget Discussion
   - UMS CFO, Ryan Low
   - UMaine President, Susan Hunter
4. **January 25**: UMaine 2nd FY18 Budget Discussion
5. Process for Input
   - Web Survey – umaine.edu/president
   - Email – umpresident@maine.edu or
   - Email – umcbo@maine.edu
Campus Community Survey Questions

umaine.edu/president

Office of the President

Welcome to the Office of the President

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.
Thank you
Questions?